

Globalization After the Great Contraction: The Emergence of Zones of Exclusion

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Abstract Prior to the onset of the Great Contraction in 2008, globalization was understood as a process of global economic integration and the expansion of global capitalism. In response to the neoliberal mantra that there was no alternative to free-market orthodoxy, many social movements maintained that another world was possible. These debates have lost their relevance as the Great Contraction has exposed the weaknesses of global capitalism – no longer can it be understood as a hegemonic totality encircling the globe. Rather than unlimited expansion and intensification, global capitalism is retreating and places and people that lack a productive function are rendered redundant and excluded from global commodity chains. Globalization must now be thought of as the expansion of non-capitalist ‘zones of exclusion’ and its coexistence with intensely capitalist ‘zones of exception.’ I examine the political economy that has emerged in one such place, Flint, Michigan. I draw on recent scholarship on de-growth, and suggest that rather than reconnecting with the global economy at all costs, policy makers in Flint should work to make viable and institutionalize its emergent non-capitalist relations of production.

1 Introduction

This article engages with recent scholarly literature on globalization in the context of the 2008 financial crisis. I trace the emergence of neoliberalism as a response to the prolonged economic crisis in industrialized countries in the 1970s, to its hegemony in the post-Cold War era when places that had hitherto remained outside of global capitalism were connected to global production networks. I demonstrate that at the height of its dominance, neoliberalism’s hegemony went largely unquestioned even by its opponents. While progressives insisted that another world is possible, they often implicitly reified neoliberal global capitalism as a

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single monolithic totality. The 2008 financial crisis was a turning point because it deeply shook the ideological consensus around neoliberalism, and as circuits of capital recoiled some places were excluded from global production networks.

I argue that the emergence of these *zones of exclusion* demonstrates that although ‘another world is possible’, there is no reason to celebrate them as inherently emancipatory. Exclusion has often resulted in economic hardship and amounts to a “forced de-growth” (Martinez-Alier et al. 2010) as production is severely curtailed, residents struggle to sell their labor for a wage, and housing prices plummet. I introduce Flint, Michigan, USA, as a zone of exclusion, and I explore the impact that its exclusion from global production networks has had on its local economy. In particular, I focus on how municipal authorities and local residents have responded to economic hardship and urban decline by fostering a political economy of land based on use rather than ownership. I argue that in order for this alternative to provide the material basis for social reproduction, however, it must be institutionalized. This means that policy makers must abandon the goal of reconnecting with production networks at any cost.

The paper proceeds as follows: In the next section I review literature on globalization prior to the 2008 financial crisis. In the third section I argue that the financial crisis has resulted in the exclusion of non-productive territories from the global economy. Fourth, I introduce field research from one *zone of exclusion*, Flint, Michigan, and I examine the local political economy that has emerged as a result. In the final section I explore the extent to which zones of exclusion provide the political opportunity to institutionalize an alternative to neoliberal capitalism.

2 Globalization *qua* Neoliberalism

Although the term ‘globalization’ is firmly entrenched in our lexicon its meaning is often ambiguous. Peter Dicken (2004; see Yeung 2002) reminds us that ‘globalization’ is not an ontological entity. Instead, he argues that it is a series of processes – social, political, cultural and economic – all of which increase interconnectedness on a global scale. While there are many definitions of globalization, increased interconnectedness is a feature that most of them share (cf. Robertson 1992; Castells 1996; Ritzer 1998; Pieterse 2009). Scholarly literature on globalization proliferated in the 1990s, and its focus was the integration of markets into a single worldwide capitalist system and the concomitant effects that resulted at local, national and global scales. Indeed, many states that had hitherto remained relatively isolated from global financial markets and trade opened their borders and sought to attract foreign direct investment as the capitalist system expanded dramatically in the first decade after the collapse of the USSR. Economic integration was driven by an infallible faith in the virtues of free markets and unhindered trade (Harvey 2005; Klein 2008). This ideology enshrined a particular version of capitalism that was in favor at the time in the North Atlantic, which was based on free-market orthodoxy, the free flow of goods and capital, and fiscal austerity (see e.g. Williamson 1990;

Wade 2009). These policies are known collectively as *neoliberalism*, and they informed the actual frameworks of multilateral integration and global governance through organizations such as the World Trade Organization, World Bank and International Monetary Fund (Harvey 2005).

Neoliberal ideology was bolstered by a compelling spatio-temporal imaginary in which universal economic prosperity is achieved through a timeless liberal-democratic system of governance. Francis Fukuyama (1992) confidently announced that the ‘end of history’ had been achieved. By this he meant that the ideology of liberal-democratic governance had established such a strong position vis-à-vis competing systems of governance it was never to be seriously challenged. Thomas Friedman’s (2005) provided the spatial corollary to Fukuyama’s temporal understanding of globalization. His version of a ‘flat’ world offered a powerful spatial description that portrayed the world as a vast canvas whose various regions are interconnected, and there is little resistance to the flow of people, goods and ideas. The liberal credo of equality and the Ricardian notion of comparative advantage were the scaffolding upon which this vision was constructed: while all regions cannot participate in globalization in the *same* way, they can all participate in *some* way (Friedman 1999, 2005). For example, India has engineers, the United States has the dynamic locations like Silicon Valley and Cambridge where twenty-first century technological advancements are made, Germany designs the machines that make machines, China supplies the laborers and the whole system runs on oil from the Persian Gulf. This frictionless narrative is seductive because it portrays the world as a borderless merit-based labor market in which any country’s urban middle class can participate by simply adopting certain economic policies.

The Fukuyama-Friedman spatio-temporal imaginary ‘froze’ the world in the supposed frictionless and prosperous 1990s, and informed the way that many people imagined globalization. These assumptions were inspired by post-Cold War euphoria, and were informed by a selective understanding of contemporary events and politics of the 1990s. Indeed, there was not a serious ideological challenge to neoliberal capitalism, and if the world was not flat as Friedman proclaimed it was increasingly interconnected. Thus, while it may have been premature to announce that end of history was this flat world, this rendering of contemporary events did not seem like utter fantasy.

This spatio-temporal imaginary of globalization signaled a return to normalcy on a global scale after the tumultuous collapse of the USSR. The global order was immutable, and the power that this elimination of unpredictability lent this understanding of globalization cannot be understated. The meteoric rise to power of the United States during the interwar years of the twentieth century would never be repeated by any nation, but neither would the inexplicable decline of Argentina. This was comforting to the countries and regions well-prepared for the demands of the twenty-first century because it ensured limitless prosperity without the prospect of a sudden change of fortune. And impoverished countries where large segments of the population still suffered from curable diseases could take heart that although their economic fortunes may not change, their social ones would, because Jeffrey Sachs (2005) had outlined a blueprint to end poverty with such a negligible transfer

of resources from developed countries that their citizens' lifestyles would be unaffected. In short, this plan concentrates on improving human development (e.g. education and health), but it is silent on the causes of persistent inequality and poverty.

The idea of a stable economic order offered by globalization was particularly comforting to policy makers and firms in the advanced industrialized societies that had weathered an extended economic crisis since the 1970s. The Keynesian systems that had guided macroeconomic policy and development since the end of the Second World War appeared helpless in the face of the crisis (Bluestone and Harrison 1982). In short, a series of exogenous shocks (i.e. oil crises and social upheavals) in the economy led to a falling rate of profit in the centers of industrial production. According to Bluestone and Harrison (1982: 141), "in the United States...the result was slower growth, soaring prices, more frequent recessions followed by 'flatter' recoveries, and an increasingly impotent central government." Policy makers sought to restart the Keynesian regime of accumulation but their efforts were ad hoc and proved ineffective, and private sector actors began experimenting with ways to compete in this environment (Piore and Sabel 1984). What began as experiments in management and production, such as the development of Toyota's so-called 'lean production' (see Womack et al. 1990), ultimately coalesced into a *regime of accumulation* (Lipietz 1986) known as 'flexible specialization' (see Piore and Sabel 1984; Schoenberger 1988).

Flexible specialization emerged from the ruins of the post-War economic system and exhibited a distinctive new geography on a global scale. In addition to seeking access to new markets in developing countries, firms began to relocate production from the industrial heartlands of the advanced industrial societies to emerging markets where the cost of labor was much cheaper. This shifting geography of production was referred to by Frobel et al. (1980) as the "new international division of labor," and they posited that the advanced industrial countries would transition to service-based economies geared toward organizing the vast amounts of data required by international production processes. Manuel Castells (1996: 18) argued that the introduction of information and communications technology to production processes not only enabled the creation of truly global production networks, but information itself became commodified and its production took on preeminent importance.

While private sector actors embraced the new international division of labor and flexible production methods based on the incorporation of new communication technologies into global production processes, governments had to pro-actively ensure the regulatory conditions for this new mode of accumulation and this required seemingly divergent tendencies. On the one hand, national governments were forced to cede some agency and regulatory power to supra-national governing bodies such as the World Trade Organization. On the other hand, they had to undemocratically implement politically unpopular policies such as fiscal austerity, the privatization of hitherto state-owned enterprises and retrench organized labor. According to Harvey (1990: 168) the "image of strong governments administering powerful doses of unpalatable medicine to restore the health of ailing economies

became widespread.” In perhaps the most famous example Margaret Thatcher famously remarked that “there is no alternative” to neoliberalism (Harvey 2005).

The spatio-temporal imaginary of a flat and timeless neoliberal world order was so powerful that even its detractors – i.e. progressive scholars – were convinced of its omnipotence. Chakravorty (2003) makes an important distinction between the ideology of neoliberal globalization and the actual integration of markets at the global scale, and many progressive scholars inadvertently contributed to the hegemony of the former by conflating it with the latter. At the turn of the century Hardt and Negri (2000) proclaimed that the expansionary tendency of capitalism had finally resulted in its global triumph and omnipresence. David Harvey (2003) shifted scholarly attention from the shopfloor in the global North, to the frontiers of capitalist expansion in the global South. He argued that peoples and places that had hitherto been relatively isolated from the global economy were incorporated into production networks through violent processes he called “accumulation by dispossession,” and scholarship that focused on the frontier of neoliberal capitalist expansion proliferated.

Scholars who sought to study the actual material integration of the global economy focused on the global production networks (GPNs) of large multinational firms (Dicken et al. 2001; Bridge 2008). This scholarship drew on *world system theory*, and showed how complex economic processes were organized and extended across various ‘types’ of space (see Bair 2008). These scholars showed how the most advanced production networks exhibit a truly global spatial division of labor, whose interconnectedness extends from points of resource extraction, through product design and production, to retail outlets. The study of GPNs demonstrated how the balance of power in the global economy favored private capital rather than local producers; while scholars identified multiple ways for places to connect to production networks (Murphy and Schindler 2011), the fact remained that regional development was considered contingent on how locales “strategically coupled” with GPNs (Coe et al. 2004, 2008).

Throughout this period activists and scholars met annually at the World Social Forum and affirmed that ‘Another World is Possible,’ and the actual sites where global integration was negotiated, such as the World Trade Organization meeting in Seattle in 1999, witnessed intense demonstrations (see Pleyers 2010). There was little consensus on how this alternative world would be organized, however, and one gets the feeling that many people who insisted that another world was possible were convinced of the omnipotence of neoliberalism. For example, the Chiapas-based Zapatistas became a *cause célèbre* as an actually existing alternative to neoliberal globalization, but the fact that scholars and activists pinned so much hope on masked horsemen in the jungles of the Yucatan Peninsula demonstrates how desperate the Left was to find an alternative to neoliberalism. Indeed, the media-savvy Zapatistas offered heroic local resistance to free trade policies that would undoubtedly disrupt their ways of life, but it was nevertheless a peripheral movement whose effects on global capitalism – or what Hardt and Negri (2000) call *Empire* – were inconsequential.

3 Cracks in the Façade of Global Capitalism

In this section I will argue that the debates surrounding the possibility of another world became redundant after the 2008 financial crisis because alternatives emerged endogenously, from within the core of the global economy, as places that were hitherto centers of industrial production were disconnected from production networks. Activists no longer confronted a totalizing and ever-expanding global capitalism, but rather, alternatives began to manifest from places that were previously centers of production.

In hindsight it is clear that neoliberal capitalism was never as pervasive as its supporters and critics alike had thought. Its appearance as a seamless global totality can be attributed to the powerful spatio-temporal imaginary reviewed in the previous section, but also because of a selection bias; scholars selected for analysis places where production and governance adhered to neoliberal principles, and this deductive approach simply confirmed the existence of neoliberalism to people who were already convinced of its omnipotence. The literature on GPNs focused on places within networks, rather than places that were beyond their reach. More nuanced understandings of neoliberal capitalism acknowledged the persistent influence of local institutions on its implementation in particular places, but the scholars who undertook this research argued that the various hybrid forms nevertheless evinced enough similar characteristics to be considered types of neoliberalism (Brenner et al. 2010). This view is under increasing pressure from scholars who seek to anchor their analyses in the specific histories and development trajectories of particular places (see Parnell and Robinson 2012; Sanyal 2007). These counter-currents began to emerge in the 1990s as scholars who focused on actually existing institutions and everyday practices identified the existence of alternative economies and places beyond the reach of global capitalism.

The supposed monolithic understanding of capitalism was challenged by J.K. Gibson-Graham (1995, 2006), who drew attention to the diversity of economic practices that persist even within places that are undoubtedly coupled with GPNs. They argued that people are able to defy the logic of capitalism by practicing non-capitalist modes of production and exchange. While their scholarship offered an important counter-point to scholars who viewed capitalism as omnipresent and homogenous, they occasionally veered into wishful thinking. For example, they are so convinced of the plasticity of social relations that they believe one's class position can morph from working class to capitalist class throughout the course of a single day (Gibson-Graham 2006; for a critique see Turner and Schoenberger 2012).

Another important counter-point to the narrative of omnipresent global capitalism was developed by Aihwa Ong (2006), who argued that neoliberalism must be understood as a form of governance. She showed how the relationships between the governing and the governed are redefined under a regime of neoliberalism through rationalized management that induces "optimized" behaviors. She is quick to point out, however, that as a form of governance, the spread of neoliberalism is uneven

and incomplete. Disconnecting neoliberal governance from economic practice is significant because it raises important questions regarding the nature of global capitalism; does connecting with GPNs foster neoliberal governance, or does implementing a regime of neoliberalism allow places to connect with GPNs? What kinds of governance regimes exist in places that are not connected to GPNs? In the following section I revive these questions in the context of the aftermath of the 2008 financial crisis.

In summary, many scholars conceived of ‘globalization’ as synonymous with the expansion of neoliberal capitalism on a global scale, and this understanding was bolstered by a powerful spatio-temporal imaginary of the world as frictionless and timeless. This representation of globalization was indeed so strong that many scholars focused on the ideological supremacy of neoliberalism instead of the actual material manifestations of global economic integration. The study of GPNs is an exception to this trend, but even this scholarship focused on places that were interconnected with, rather than isolated from, the global economy. A number of scholars sought to dispel this notion of a totalizing global capitalism by focusing on the places and practices beyond the reach of its norms and demands, and with the benefit of hindsight I offer a sober assessment of globalization prior to the 2008 economic crisis in the following two postulates:

1. A consensus emerged around policies collectively known as neoliberalism after the collapse of the USSR, and capitalism exhibited a tendency of expansion as the global economy became increasingly integrated; international organizations institutionalized the integration of markets and advancements in information and communications technology allowed for the creation of complex global production networks.
2. The expansion of the capitalist mode of production and integration of markets bypassed many places, and even in places where neoliberal norms prevailed many social and economic practices were never subjected to the logic of the market.

4 The ‘Great Contraction’ and Its Aftermath

The 2008 financial crisis is referred to as the ‘Great Contraction’ by Gerard Dumenil and Dominique Levy (2011) because of the way capital seemed to recoil across the globe. The instability that ensued after the initial shock to the global financial system resulted in the disruption of ongoing trends of capitalist expansion and economic integration. In keeping with Chakravarty’s (2003) separation of neoliberal ideology from actual economic integration, it is possible to identify what Wade (2009) refers to as a “weakening” of the *ideological* consensus surrounding the collection of policies under the umbrella of neoliberalism. I argue that in some places it also reversed decades of economic integration, and the expansionary logic of global capitalism has given way to a reverse logic of economic disintermediation and exclusion. Globalization must now be understood as a complicated patchwork of capitalist and non-capitalist places, with people and places that lack a productive function excluded from the former. The post-crisis mode of

regulation isolates intensely capitalist ‘zones of exception’ (Ong 2006) from these non-productive *zones of exclusion*. There is an external and internal dynamic to zones of exclusion, because as a result of being excluded from global production networks, non-capitalist social relations emerge within these locales as people develop alternative livelihood strategies. Thus, I offer a third postulate regarding globalization that holds true since 2008:

3. Places and people that lack a clearly defined function are disconnected from economic processes and excluded from the global economy; as a result non-capitalist social relations of production have emerged in some of these *zones of exclusion*.

4.1 The Emergence of Zones of Exclusion

Zones of exclusion are places that previously played a role in global production networks, but have been disconnected and excluded from the global economy in the wake of the Great Contraction. I propose that an analysis of these zones must focus on how they are externally (dis-)/connected (from)/to other places and networks, as well as the local regimes that govern people and resources internally. Within these zones there is a severe shortage of capital, many people lack access to means of production yet they cannot sell their labor for a wage, and there is essentially an absence of a market in which land is exchanged. As I will demonstrate, these places exhibit governance regimes that are not oriented toward fostering free markets, and the social relations of production are not based on the buying and selling of labor. As a result, the practice of capitalism – in short, the process of using money to purchase the labor of others for the purpose of producing commodities which are sold for a larger sum of money than was originally invested – does not occur. Instead, zones of exclusion constitute non-capitalist space, and their emergence is a significant reversal of the previously identified expansionary tendency of global capitalism.

Zones of exclusion have been disconnected from GPNs as the geography of production has shifted (for an example of how places compete in order to remain in GPNs see Phelps and Waley 2004), yet these zones remain connected to the global economy in other ways. For example, the people within these zones can remain connected to international finance through their pensions and investments. On the one hand this serves to exacerbate the shortage of capital, as people with savings invest it elsewhere, while on the other hand it can lessen the economic hardship for those who cannot sell their labor for a wage. In some nation-states these zones are connected to other levels of government, which provide relief to local governments that lack a tax base, and to individuals in the form of welfare. For example, Bernt (2009) has shown how the politics in shrinking cities in the former East Germany is centered on forming “grant coalitions” that seek to access funding from the Federal Government rather than “growth coalitions” (Molotch 1976) whose goal is to strategically couple with production networks.

Non-capitalist relations of production emerge in these places as people transform their livelihood strategies. The reality is that most people are unable to subsist by practicing the behavior that generates income in a capitalist system. Laborers cannot sell their labor for a wage, people with capital refrain from investing it in a production process locally, and freely available land makes it difficult for the owners of property to collect rent. Many people employ their labor and meager resources in small-scale activities that allow them to subsist, such as urban farming. As I will demonstrate, these ventures should not be confused with capitalist enterprises because the operator does not employ laborers or seek to expand. Instead, these activities are part of livelihood strategies formulated by networks of families and neighbors.

4.2 The Exclusion of Flint, Michigan (U.S.) from the Global Economy

Labeling social relations and places as ‘non-capitalist’ does not invest them with positive meaning, and I explore the specific social relations and innovative governance practices that have emerged since Flint, Michigan, was disconnected from the global economy. Flint was once the center of General Motors’ (GM) manufacturing operations. Its growth was closely connected to the post-war regime of Fordism, and urban decline became urban decay as Fordism entered its prolonged crisis and GM began to relocate its production facilities. GM’s efforts to implement just-in-time production – i.e. a specific form of flexible specialization – met with resistance from organized labor, whose members feared these production methods would accelerate already rapid job losses. Autoworkers in Flint led a nationwide strike in 1998 that cost GM \$2.3 billion, and shrank the 1998 GDP of the U.S. by 1 % (Herod 2000). Since 1998 GM has dramatically curtailed production in Flint, preferring to locate production in places with more compliant labor. Michael Moore’s 1989 film *Roger and Me* details GM’s exodus from Flint and its subsequent impact on local residents. While the exact details regarding the decline of the auto industry in Flint are too extensive to be recounted here, it is clear that Flint’s role in global production decreased dramatically. I will focus on how the Great Contraction affected Flint in the context of an ongoing, prolonged crisis.

Flint’s demographics have changed dramatically as a result of its deindustrialization. According to the U.S. Census Bureau, Flint’s population in 2000 was 124,943, which was a 9 % decrease over the previous decade (U.S. Census Bureau 2007). By 2010 the population had shrunk further, to 102,434 (U.S. Census Bureau 2012). Meanwhile, the U.S. Bureau of Labor Statistics reports that in 1990 the number of people working in manufacturing was 47,800, and this number dropped to a staggering 7,700 in the summer of 2009 just after the onset of the financial crisis. Unemployment within the city skyrocketed to 27 % (Burden 2009), while almost a quarter of the labor force was employed in the public sector (U.S. Bureau

of Labor Statistics 2012). The percentage of people living below the poverty line increased from 26 % in 1999 to 37 % in 2010 (U.S. Census Bureau 2007, 2012).

Flint's shrinking population and high unemployment had led to a glut of housing and decreasing property values even before the financial crisis. People who lost their jobs in the automotive industry and were able to find work in places that were experiencing economic growth, such as the U.S. Southwest, simply abandoned their homes given the difficulty of finding a buyer and low property values. This glut of abandoned homes foreshadowed similar events in Spain and Ireland after the Great Contraction. In response, the State of Michigan empowered local authorities to seize abandoned properties in 1999, if their owners failed to pay property taxes for two consecutive years (Dewar 2006). Flint is in Genesee County and in 2004 the county government created the Genesee County Land Bank to manage the properties that reverted to public possession. The Land Bank currently possesses approximately 4,000 properties in Flint, and its stated mission is to "restore the integrity of the community by removing dilapidated structures and redeveloping abandoned properties" (Land Bank 2004). The Land Bank renovates some homes and places them on the market or maintains them as rental properties for low-income tenants, while homes that are beyond repair are demolished.¹

The Land Bank's Adopt-a-Lot program allows Flint residents to gain access to abandoned land. While the Land Bank retains the title to the land, those who adopt it gain the right to use it productively and through this arrangement entire blocks have been turned into urban gardens. Community gardens dot the landscape between abandoned homes in some of Flint's neighborhoods that were hardest hit by its prolonged crisis. Residents are able to access inputs such as seeds and fertilizer, as well as advice on gardening, from local organizations. For former auto workers their newfound control over means of production represents a deproletarianization. In a departure from wage-labor, participants in the Adopt-a-Lot program combine small-scale entrepreneurialism with philanthropy as family and neighbors tend gardens in exchange for its produce. One resident has expanded his urban garden from one lot to several, and he is helped by other local residents in exchange for part of the harvest. In the course of fieldwork in Flint, I interviewed participants in the program who consistently framed their adoption of empty lots and gardening as a means of self-reliance:

This is what we have, we have to do the best we can with it. . . A lot of people wait for someone to pick them up - we can pick our own selves up.

We're gonna control our environment. Before there were rats and garbage. . . This was a survival plan. . . I'm taking it back to what was in the beginning [by starting community gardens]. (*Participants in the Adopt-a-Lot program, personal communication August 2010*)

The efforts of Flint residents who practice community gardening goes beyond livelihood strategies, however, and serve as means of social reproduction. As one resident who adopts land and works with local youth explained: "I'm trying to

¹ The Land Bank claims to have demolished 950 structures since 2003 (<http://www.thelandbank.org/programs.asp>).

create permanent stuff – pocket parks. . .we’re choosing areas that they probably wouldn’t do much with anyway, near the railroad tracks. . .I’m trying to make it usable. . .I was raised on a farm. . .I want the kids to know what the earth is about” (personal communication, August 2010).

While some Flint residents have taken advantage of the Adopt-a-Lot program to develop and practice non-capitalist social relations of production, the Land Bank remains committed to rejuvenating the property market. The collapse of property values reduced the amount of revenue that the local government collects as property taxes. This has contributed to the collapse of the city’s finances, and in response the State of Michigan removed Flint’s locally elected officials and appointed a city manager (Longley 2012a). While the disempowered elected city council members have vowed to challenge their removal (Longley 2012b), the implication is clear: the state is unable to appropriate a surplus with which it can finance its operations. This is because providing land to residents has generated non-capitalist relations of production rather than re-coupled the city with wider circuits of capital. Indeed, it is conceivable that residents’ efforts to use vacant land could contribute to the stabilization of property values which could subsequently re-attract real estate speculators whose arrival would almost certainly presage the end of freely accessible land. For the time being, however, Flint remains outside circuits of capital and some of its residents have been forced to develop innovative livelihood strategies based on solidarity and interpersonal networks. Their improvisation and survival demonstrates the irrelevance of debates surrounding the possibility of *creating* another world, because in places like Flint that have been disintermediated from production networks this other world already exists.

5 Depression or De-growth?

The emergence of zones of exclusion confirms that another world is not only possible, but that it already exists. Flint is particularly significant given its history as an integral part of one of the world’s most advanced industrial clusters, but there are many cities near Flint whose disconnection from the global economy has been less dramatic because their interconnection was never as extensive. A recent article by economist Robert Gordon (2012) surmises that the cycle of economic growth synonymous with manufacturing in the Great Lakes region of the United States is definitively over. Predictably, policy makers routinely seek to strategically re-couple these places with the global economy, but the success of such initiatives seems increasingly unlikely. Therefore these zones pose an urgent challenge to progressive scholars and local residents: how can production in these excluded places be organized in equitable ways that allow people to not only subsist but also thrive, if they are not re-coupled with production networks? This challenge is monumental and requires a praxis with open dialogue and willingness to experiment. I do not seek to issue the last word on the subject, but instead I propose that

zones of exclusion hold out promise as laboratories for innovative practices in governance and production.

First, it is important to understand the relationship between democracy and Flint's deindustrialization. Flint's disconnection from GPNs not only resulted in the collapse of its local economy, but also the removal of its democratically elected government. This is significant because it comes on the heels of the deproletarianization of a large portion of its workforce. The emergence of this bloc of voters who have suddenly become empowered by their access to land would most likely seek to consolidate these gains that at the ballot box. Since they are no longer involved with organized labor they may also be unconstrained by the rigidity of party politics, and their unpredictability poses a clear threat to Michigan's Republican Governor. Thus, the disempowerment of the local government by the State of Michigan can be interpreted as a preemptive strike against the emergence of participatory democracy.

Experiments in participatory democracy over the course of the past 20 years have jaded even the most optimistic progressives. Most critiques of participation center on the ability of some interest groups, namely elites, to subvert democratic processes and simply garner consensus for policies they are determined to implement one way or another. Elite interest groups have little interest in zones of exclusion; in spite of America's innate mistrust of the government's role in the economy, the Land Bank's appropriation of land has been uncontroversial in part because it does not directly threaten elites' financial interests. Instead, opposition has come from a higher level of government, the State of Michigan, whose Republican Governor has used the financial crisis as an opportunity to derail the democratic process in Flint. This takeover of Flint may, however, have the unintended consequence of emboldening its residents. If the emergency manager appointed in Flint intensifies fiscal austerity, even more residents will be forced to develop livelihood strategies based on non-capitalist relations of production. This raises an important question: how can these practices be governed and institutionalized?

James Ferguson (2009) reminds us that progressive scholars have been quick to expose the evils of a broadly defined 'neoliberalism,' but slow to develop alternative 'arts of government.' He proposes harnessing techniques of rule developed in concert with neoliberal agendas for genuinely pro-poor governance, and in a very real sense this is what the Land Bank does. While the Land Bank was empowered in order to augment the exchange-value of property, it has actually overseen the transformation of the political economy of land. In line with Ferguson's proposal, the Land Bank's pro-poor land-use policy and residents' innovative livelihood strategies must be combined and institutionalized in a way that fosters social reproduction. Indeed, this would allow for the reproduction of a non-capitalist social structure, and crucially, this reproduction is dependent on the generation of a certain level of material production (see Wright 2010: 278–290). To put it another way, we can return to Chakravorty's (2003) separation of neoliberal globalization's ideology and the actual integration of the global economy; it is fair to say that the emergence of zones of exclusion provide the basis for the implementation of

regimes with both competing ideologies, and non-capitalist modes of production. Since production will plummet in many zones of exclusion as external sources of capital become unavailable, the main challenge is to foster modes of production that can provide the material basis for social reproduction of social relations of production that depart from neoliberal norms. This challenge is particularly relevant in Flint, where the production of automobiles has all but ceased, and former auto workers find themselves harvesting vegetables.

It is in this context of a drastic reduction of material output and a concomitant shift in what is produced, that Flint can benefit from the concept of *de-growth*. While there is no single model of de-growth, scholars who advocate its theoretical utility typically recognize limits to growth rather than seek technological fixes to environmental, economic and social crises (Martinez-Alier et al. 2010). This view stresses planned reduction of production and consumption, rather than the development of ways to continue increasing output in more ecologically ‘friendly’ ways (Demaria et al. forthcoming). Kallis (2011: 876), for example, defines de-growth as “a socially sustainable and equitable reduction (and eventually stabilisation) of . . . the materials and energy a society extracts, processes, transports and distributes, to consume and return back to the environment as waste.” Thus, unlike the concept ‘sustainable development’ which is vague and compatible with, or even complementary to, neoliberal capitalism (see Davidson 2010; Keil 2007; Swyngedouw 2007), de-growth theorists stress the importance of comprehensive environmental, social and economic policy making throughout the cycle of extraction-production-consumption-waste (Schneider et al. 2010). This stands in stark contrast to those who seek to develop ways to simply reduce the impacts of these activities, while never questioning the wisdom that their expansion is inherently beneficial. In zones of exclusion de-growth is especially relevant, if one accepts the common sense argument of Martinez-Alier et al. (2010: 1745) that it is “better to start adapting to forced de-growths that are likely to occur, in order to find a prosperous way down,” rather than pursue unrealistic growth-oriented policies at all costs.

Flint’s Land Bank has helped local residents adapt to the city’s forced de-growth, but these policy innovations could be institutionalized in ways that sustain social reproduction. Urban gardening operations could be scaled up, residents could play a more active role in guiding Land Bank policy, and a system for compensating people with food could be devised according to how much they work in urban gardens. Furthermore, Flint could re-work its relationships with other places, and export food to neighboring cities as its residents improve gardening techniques. It could generate a surplus of fresh vegetables and begin adding value to its produce through basic processing techniques. Flint residents who are involved in this transformation could guide other communities that are struggling to build similar institutions. It is highly unlikely that Flint will be reconnected with GPNs as a center of manufacturing or that its residents will ever be as prosperous as they were in the city’s heyday, but it could conceivably become a livable city even in the context of its ongoing forced de-growth, with the implementation of practices that ensure sustainable production and social reproduction.

In conclusion, the existence of extensive zones of exclusion that are disconnected from the global economy whose localized modes of production are testament to the existence of alternative modes of production. While zones of exclusion demonstrate that other world is not only possible but that it exists, we must be careful of romanticizing their non-capitalist nature. Policy makers and residents of most zones of exclusion are faced with forced de-growth and economic hardship. However, by focusing on institution-building at the local scale rather than re-coupling with the global economy at all costs, it may be possible to adapt to exclusion and develop non-capitalist alternatives that allow for social reproduction. In the case of Flint, its history as a center of automotive production means that it is saddled with large swaths of abandoned factories which are contaminated and cannot be used for the foreseeable future, while its housing stock is plentiful. As Flint's Land Bank shows, the negative effects of forced de-growth can be mitigated, but the real challenge is to institutionalize relations of production in a way that can ensure the materiality of social reproduction in the context of crisis. If this is achieved in the short-term, zones of exclusion may be able to re-connect with wider circuits of capital on their own terms in the future.

Conclusion

In this article I offered an analysis of scholarship on globalization, and argued that prior to the 2008 financial crisis it was often equated even by its critics as totalizing global capitalism. The contraction of circuits of capital after the post-crisis exposed the limits of global capitalism, and many places became disconnected from global production networks. I call these places *zones of exclusion*, and presented empirical research from Flint, Michigan, which used to be at the center of the American automotive industry but has been plagued by economic hardship and urban decline. This case study demonstrates that although alternatives to neoliberal capitalism can emerge in zones of exclusion, we must be careful not to exaggerate their emancipatory potential because their "forced de-growth" (Martinez-Alier et al. 2010) can easily result in further economic hardship. I argued that innovative policy making is required, and instead of seeking to reconnect with the global economy at all costs, residents and local politicians must institutionalize alternatives to neoliberalism. Flint's Land Bank has taken the first step in this direction by implementing a program that allows local residents to use abandoned land. However, these alternatives are doomed to fail unless they provide the material basis for social reproduction. The initial success of Flint's Land Bank suggests that it is indeed possible to foster a political economy of land based on use rather than ownership even within the global North, but it remains to be seen whether this political economy can offer residents 'another world,' more fulfilling than the one of poverty and urban decline with which they have become familiar in recent years.

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