Theoretical foundations

- discourse
  - how we conceptualise, order and communicate our understandings of things
  - reflect relations of power
    - how our thinking on a subject is shaped by the vocabulary used
  - globalisation
    - inevitable?
      - an unregulated, almost natural process brought about by business logics
      - OR
      - is it something TNCs would have us believe?
    - govts authors and respondents to globaisation
- Uneven Devt
  - marxian approach
    - how is wealth created?
    - value created by labour creating or changing a good or service
    - companies
      - organisational platform that co-ordinates activities
      - determines how the rewards of the process are distributed
  - capitalism
    - system whereby value is created through exploitation
    - labour bought and sold like any other commodity
    - capitalists extract surplus value from employee
    - means of production
  - natural state of affairs
    - distribution of the nature's bounty
    - growth has to start somewhere
    - however...
      - Indonesia
        - huge array of resources
        - GDP $3,361 per capita
      - Singapore
        - no natural resources
        - GDP $24,481 per capita
  - society
    - societies differentially endowed in their physical environments
    - rejects notions of difference in ingenuity and energy of humans globally
    - i.e.
      - political structures
      - technology
      - transport
    - however...
      - doesn't explain recent rise of India or China
  - development
    - a process of eco growth
      - i.e. increasing collective wealth, alongside a trend towards social change
  - some places prosper while others are less likely to do so in capitalist economy
  - impoverished regions with economic booms see wealth go to small wealthy urban elite
  - hyperglobalists
  - sceptic
  - transformationalist
- Historical context
  - 18th century
    - empire / colonies
  - late 1800s
    - looked at maths to explain economice
  - Keynes 1936
    - rise of macroeconomics
    - national economy a bounded and self contained entity
    - ideas taken on post WW2
      - re-imagining nation state in terms of geopolitics
  - location theory and neoclassical approach
    - 1960s
    - attempt to emulate scientific methods and philosophies of natural sciences
    - establish and explain patterns in the distribution of eco activity across space
    - mathematical modelling to describe and explain spatial patterns
  - behavioural approach
    - late 60s- early 80s
    - role of info and human choices in determining decision making and locational outcomes
    - large scale surveys to investigate eco decision-making of human actors in various situations
  - marxist political economy
    - emerged in early 70s
    - reaction to failure of locational analysis to address social and spatial inequities in eco devt and wealth that were emerging
    - David Harvey
    - foci of analysis on structures of social relations that underpinned capitalism
  - 'new economic geography'
    - mid 90s
    - institutional turn
    - cultural turn
- Space
  - territoriality and form
    - defined by lines on a map or jurisdiction on the ground
    - provides a more nuanced set of questions about what is happening in a place
    - e.g
      - spatial extent
      - form and complexity of region/nation/TNC
  - locations within space
    - co-ordinates of a location in relation to others
    - physically
      - helps understand resource base on which economy rests
    - geopolitically
      - position in the priorities of the global political and economic order
  - flows across space
    - international
      - trade
      - finance
      - people
      - knowledge
    - intra-national
      - govt funding
      - migration
  - marxist theory
    - inequality an inevitable outcome of capitalism
- Place
  - unique assemblages of contexts
    - eco
    - political
    - social
    - cultural
  - shape and are shaped by eco processes
  - strong geographical tradition of empirical fieldwork
  - vague notion
    - can refer to anything from a shop to a continent
  - structure of society & govt
    - relationship between rich and politicians
    - the role govt plays in eco processes
- Scale
  - different sized units that constitute places carved out of space
    - scale provides an organising framework for understanding these units
  - eco processes across multiple scales simultaneously
- What is the economy
  - assumptions
    - defining an economic 'act'
      - money changing hands
      - neglects unpaid work
    - separate from other dimensions of life
      - cultural
        - assigning meanings to things and people
      - social
        - relating to different tyoes of people
      - political
        - allocating and challenging power
      - environmental
        - operating in the natural world
    - mechanism out of individual control
      - components of the economy
      - economy controls us
      - in reality, eco processes are the product of collective decisions we make as eco actors
    - mechanisms and actors are ordered and rational
    - growth is good
      - fail to take into account full implications
        - environmental
        - social
        - cultural
  - "integrated process of production, circulation, exchange and consumption through which wealth is generated" (Hudson, 2005)
  - needs to be looked at below national level
- financial crisis
  - first crisis in a global age
    - almost the whole world affected
      - China
        - Shanghai down 4.5%
        - exposed to western economics
          - e.g. Chinese products sold to western customers
        - response
          - create domestic demand for products
            - ultimate solution?
              - become a consumer, not a producer
              - increase demand for ouur exports
      - India
        - not as immune as everyone believed
        - $1bn pumped into financial system
        - growth choked off
          - still 7-8% expected
      - Singapore
        - only down 1%
          - market has direct stake in wall st.
            - owns a share in Meryl Lynch
            - could do quite well out of the deal
    - globalised production line
  - UK
    - nationalisation
    - problem
      - most global financial system in the world
      - high street banks, not investment
        - money plunged into high risk finance
      - impulse of policy makers to sort things out the old way
        - cut interest rates
      - where will growth come from?
    - inequality
  - turning point in world eco power
    - turn to Asia