

*Impacts of accumulation with financial predominance on the
new industrial Geography - productive processes,
competitiveness and spatial differentiation*

*Impactos da acumulação com predominância financeira
sobre a nova Geografia industrial – processos produtivos,
competitividade e diferenciação espacial*

*Impacts de l'accumulation avec prédominance financière sur
la nouvelle Géographie industrielle - processus de
production, compétitivité et différenciation de l'espace*

Edilson Pereira Júnior
Universidade Estadual do Ceará (UECE)
edilsonapjr@hotmail.com

Abstract

This article analyses the consequences of accumulation with financial predominance on the organization of the industrial world considering the set of changes on the productive processes as an important development of the consolidated changes by the contemporary capitalist configurations. We work out the ways in which the financial accumulation imperative subordinates industrial enterprises to their competitive logic, requiring productivity performances that surpass the patterns previously established by the Fordist configuration. The intention is to investigate the new geographies of these transformations whose result is the constitution of an articulated relationship of territories united by a turbulent and dynamic division of labor, in a contradictory arrangement of different spatial margins of profitability.

Keywords: Financialization; Industry; Spatial differentiation.

Resumo

O artigo examina as consequências da acumulação com predominância financeira sobre a organização do mundo industrial, ao considerar o conjunto de mudanças dos processos produtivos como um desdobramento importante das alterações consolidadas pelas configurações capitalistas contemporâneas. São trabalhadas as formas segundo as quais o imperativo da acumulação pela via financeira submete as empresas industriais à sua lógica competitiva, exigindo delas desempenhos de produtividade que superem os padrões anteriormente estabelecidos pela configuração do tipo fordista. A intenção é investigar as novas Geografias dessas transformações, cujo resultado é a constituição de uma relação articulada de territórios unidos por uma divisão do

trabalho turbulenta e dinâmica, num arranjo contraditório de diferentes margens espaciais de lucratividade.

Palavras-chave: Financeirização; Indústria; Diferenciação espacial.

Résumé

L'article examine les conséquences de l'accumulation avec la prédominance financière sur l'organisation du monde industriel, en considérant l'ensemble des changements des processus de production comme un déroulement important des changements consolidés par les configurations capitalistes contemporaines. Le but est de travailler les façons à laquelle le l'impératif d'accumulation par des moyens financiers soumet les entreprises industrielles à leur logique concurrentielle, en leur exigeant gains de productivité qui dépassant les normes précédemment établies par la configuration de type fordiste. L'intention est d'enquêter sur les nouvelles Géographies de ces transformations, qui aboutissent à la constitution d'une relation articulée de territoires unis par une division turbulente et dynamique du travail, dans un arrangement contradictoire de différentes marges de l'espace de de rentabilité.

Mots-clés: Finance; L'Industrie; Différenciation de l'Espace.

Introduction

How is the industrial world organization and its spatial result in a time of capitalist accumulation with a strong financial instance predominance as a mechanism of movement fluidity and territorial subordination?

This text tries to provide a discussion on the theme, especially considering the set of changes on the productive processes as an important development of the transformations consolidated by the territorial restructuring felt by the industry in a context of modifications in the contemporary capitalist configurations.

In the last decades, worldwide, the industry is much more likely to absorb a new combination of spatial, productive, financial and service relations that can reveal complex organization mechanisms of the industrial systems. Through these new relations - which reconfigure the terms of the productive economy and the circulation / consumption of goods and commodities - and due to the new capacity of relocation of the productive activities, a new set of elements consolidates different managerial and territorial conceptions of industrial production, bringing the performance of factory production lines closer to the financial management, which, in turn, makes a pressure on the industrial operation as a whole. The most pressing order is to ensure the maximization of profits or profitability, especially by using information technologies able to transform flexibility into new strategies of control over work and space.

This paper discusses these themes from a literature review that articulates changes in productive strategies with the greater capacity for the investment mobility and for the dispersion of profitability appropriation by the unequal spatial development. It is a way to understand the control of the contemporary hegemonic forces of accumulation (MÉNDEZ, 2018; BRENNER, 2018; PECK, THEODORE and BRENNER, 2012).

First, the focus is on the ways in which the imperative of financial accumulation subjects the industrial and commercial enterprises to their competitive logic, demanding

productivity and profitability performances that surpass the standards previously established by the Fordist configuration. The dynamics that stimulates the financial dimension to exceed its own limits is emphasized, extending to the other economic dimensions, that is, to the production and exchange ones.

The next item deals with the scope and spatiality of these transformations, whose result is the constitution of a relational and articulated set of territories united by a turbulent and dynamic division of labor in a contradictory arrangement of different spatial margins of accumulation.

Finally, in the considerations section, there is a synthesis of the main ideas covered on this paper, as well as the beginning of a discussion to a renewed debate on the subject.

Competitiveness and types of accumulation in the new industrial world

In 2008, the events manifested by the global financial crisis expanded the state interventions and the nationalization of losses in multinational financial institutions and productive conglomerates. The financial flows, the types of governance and the political protections against a certain kind of accumulation based on the wealth financialization expanded themselves ten years after the impacts of the US mortgage crisis and the collapse of some economies such as Iceland and Greece (MENDEZ, 2018; BRENNER, 2018; SASSEN, 2016; PECK, THEODORE and BRENNER, 2012), confirming Peck, Theodore and Brenner's (2012) thesis.

According to their thesis, despite appearing to be an hegemonic and ostensibly global monolithic structure in scope, the capitalist configuration based on finance – named neoliberalism by the authors - is associated with an almost disconcerting set of regional trajectories, contingent ways and hybrid combinations. It does not “exist as a unified and static structure, as a balancing system or as a final condition”, prone to be demolished in a situation of great crisis. Conversely, it presents itself as an “hegemonic ethos of restructuring and as a dominant pattern of regulatory transformation”, operating “among its 'others' in multiple, heterogeneous and contradictory governance environments” (PECK, THEODORE and BRENNER, 2012, p. 61).

It would be nothing more than a false illusion to consider accumulation based on the financialization of wealth as a monolithic structure, without articulations or porosities between contradictory political and economic agents. The same happens with the conception that understands the self-called interest bearing capital in the value extraction as social wealth (AUVRAY and RABINOVICH, 2018). According to this world view, the other economic dimensions of life became unimportant to the types of accumulation, as if the interest-bearing capital was not merely a functional type of capital and as if its dynamization was not associated with the production and commercialization of commodities.

Indeed, the transfer of value among the functional ways of appropriation - subordinating the material production logic to the speculation of old and new financial

mechanisms – is what most often occurs despite the current domain of financialization over other capital fractions in the market economy (MÉNDEZ, 2018).

Without astonishment and without manifesting the preliminary nature of his conclusions, Harvey wrote in 1989:

I am therefore tempted to see the flexibility achieved in production, in labor markets and in consumption rather as a result of seeking financial solutions to the declining trends of capitalism than the other way around. This would imply that the financial system has achieved a degree of autonomy in face of unprecedented real production in the capitalism history, leading the latter to an era of equally unprecedented financial risk (HARVEY, 1998 [1989], p.181).

Harvey's astonishment did not hide his surprise at the new form of accumulation, subjected to a movement in which the fictitious capital (unstable and marked by parasitic speculative strategies) began to dictate the rhythms of the economy. In the midst of this issue, another concern was evident: In face of a possible financial market bankruptcy due to investors' eagerness for exorbitant profits, what would it be left of the “real economy”, being it dependent on the great agents of international finance and their “spectacular adventures”?

Nowadays, this concern still plagues us, especially in significant financial market instability times. However, many of the questions about maintaining the configuration of ability to extract value from the “real economy” were answered not only by the changes in the ways of thinking about capitalist competitiveness, but also by the ability to reorganize the material production and its distribution until the markets consumers.

The key to change lies in the subordination of the commercial and industrial enterprise, what Petrella (1996) calls the “principle of competitiveness.” According to the author, competitiveness - under the influence of the economic theory and practice of financialization - has a sense of confrontation among rivals, converting corporate attitudes into strategies whose main purpose is to defeat the competitors.

In an accumulation configuration (in which large investors are increasingly looking for profitability in a short term and are interested in liquidity facilities, withdrawing their investments at their convenience), any entrepreneurial initiative in industrial production or in the circulation of products and services will be contaminated by the philosophy of engagement under safe and immediate return conditions (AUVRAY and RABINOVICH, 2018).

Thus, the imperative of competitiveness, besides imposing itself as a means, it is also placed at the end of economic and socio-spatial relations, becoming the main objective of business and industry entrepreneurs, bankers and government leaders. Of course, this premise is not limited to a company universe, to industrial sectors or to countries and regions of the world, implying a micro, meso and macro scale of competitiveness. It intends to present the competitive behavior as a social and human

dimension, the only and powerful engine of action, motivation and innovation. In this case, the allusion to the terms associated with management consecrates the ideology of competitiveness as a short-term imperative and as a hegemony of profits and economic benefits as an act that represents the competitors' overcoming and the "annihilation".

In this conception, the most important goal to be defended is to gain strength to defeat the opponents. Thus, the "economic war without quarter" is declared. The winner will be revealed by his ability to correctly establish his vision, his mission, his values, his goals and his strategies, in an effort of "aggressiveness" whose "failure" implies the exclusion in the market and whose "conquest" leads to the overcoming, and to individual and collective well-being (PETRELLA, 1996).

Thus, the obsession for liquidity and the resulting economic competition denounce the predatory character of the individualism paradigm, which makes the subject a maximizer of the utility into a mortar of dominant thinking. This turns the market into a servomechanism capable of conciliating selfish plans as a goal for all the social agents.

For Santos (1999), there is a bigger problem. As the idea of competitiveness has gained a rapid and effective expansion movement, its values took on an axiomatic truth, leaving companies to accept this direction as the only clearing board. It is a conception that commands the world as an automatic circuit being incorporated by companies from the most diverse spheres of the economy, as if it represented the irresistible force of a law of nature. This way, the entire planet has become a field where this kind of competition is materialized.

In Michalet's (2003, p.32) conception, it is a logic that "goes beyond the limits of the financial dimension to extend to the other real dimensions of the economy, that is, those of production and exchange". In this sense, an articulation among the capitals is established, starting from the movement of the financial market's own variables (interest rates, exchange rates and the new products that generate speculative gains) and being extended to other domains (the stock purchase, commodity market, acquisitions / mergers), leading the management of companies to be guided by the management of investment banking portfolios.

As a result, industrial assets are assimilated to financial assets. Moreover, the need to satisfy the rules imposed by the markets tries to reconcile the types of circulation and productive organization with the socially dominant imperative of "all-commodity." By subordinating their strategies to financial practices, productive companies combine their traditional performance with renewed activities, letting them to be dominated by the philosophy of the exacerbated and accelerated accumulation, here taken as the principle of competitiveness.

From the normative point of view, the mode of capitalist organization that allows this convergence of interests is the anonymous society, "whose collectivist character overlaps with dispersed capital and at the same time reinforces its rivalry" (BELUZZO, 2005, p.7). Under this legal mechanism, finance manages to accommodate its accumulation strategies within industrial groups. Thus, purely financial shareholder

owners subject industrial managers to codes created by the stock market, buying their shares and subjecting them to an assessment / rating that respects a steady income demand. (AUVRAY and RABINOVICH, 2018). According to Chesnais (2005), it has become a common practice for pension and financial investment fund managers to charge companies with a 15% return on equity.

Business managers are tasked with responding to the reality of this demand. Given the possibility that the various shareholders may dispose of the shares whose returns do not satisfy them, company managers adapt themselves to the accumulation rates desired by the investors, shaping the industrial company to the financial format and, thus, imposing on it very different priorities from the productive management of the previous decades. In fact, it was necessary to replace the figure of the traditional industrial manager with the *savoir-faire* of new management groups, which understand the secrets of markets and financial services.

Thus, the new industrial manager has molded himself to the competitive logic of finance, changing his priorities as they are subject to investor groups for which the stock market has gained priority (AUVRAY and RABINOVICH, 2018). It is also interesting to realize how the rules set by the pursuit of maximum profitability go beyond the relations with finance and take shape in the new industrial world. The generalization of the competitiveness principle to all companies is what has been seen after an “initial contamination”, nourished by financial investor groups through pressures on open-ended productive enterprises,

Directly articulated by a global competition, industrial companies of all types and sizes absorb the imperative of competitiveness. Thus, the productive transformations no longer boil down to the large industrial group directly influenced by the financial markets. As a result, the productive patterns change as a whole. In addition to it, the industrial activity, reacting by mimicry, takes upon itself the values, goals, and rhythms of accumulation with financial domination.

The new paradigm of the industrial world has sharpened the competition among companies in attracting consumer markets on a global scale. In an effort to gain more buyers in various regions of the world, industry managers have accelerated productive management innovations in the drive to outperform competitors and achieve better productivity and marketing performance. The boldest managers were praised for their innovation strategies in achieving good results over their competitors

Thus, we reiterate the statements about the accumulation patterns imposed by the recent financial dynamics and their ability to demand from the industries gains and revenues in the quantity and speed of new market rhythms. In the pursuit of such objectives, there is no other option than to redefine the goals and types of production, also stimulating the increased consumption of expendable products. The capitalist configuration with financial predominance demanded from industries the redefinition of their ways of accumulation by pure mimicry of the practices performed by speculative capital. The result of this has been the exacerbation of competition and technological

change, which have accompanied production engineering with all sorts of flexible restructurings in recent years.

Productive restructuring and spatial differentiation

Since the threads of the economic circuit have been reconfigured, there is no more capitalist growth without the passing of the value flows through the financial sphere. But, likewise, it is not possible to secure financial value to the investors in the current market economy without it being permanently “fueled” by surpluses extracted from the sphere of production and circulation.

Due to shareholder charges or to sheer mimicry imposed by heightened competitiveness, financial management performances, characterized by the use of deregulation and volatility mechanisms, put pressure on the industrial functioning as a whole. The pressing order is to ensure that profits are maximized, especially by leveraging information and communication technologies that can transform flexibility into new production strategies and work control.

From the 1980s on, based on these changes, mass and large-scale production began to be replaced by a smaller, differentiated production that required the creation of leaner production units with a more flexible organization, leading to increased specialization and new patterns of hierarchy within companies (MÉNDEZ and CARAVACA, 1996). The biggest transformations of this flexible production took place in three ways:

- 1) the formation of scope economies, in which flexible specialization of batch production for small market segments occurs.
- 2) the strategy of rapid technical change, from the distribution of production by different companies.
- 3) the organization of a system defined by consumption, in which production is thought from the end to the beginning, in view of the diversity on demand and the adaptation to different conditions.

Since then, flexibility has become the most used word to define changes in industrial capitalism. Increasingly, it would be necessary to establish flexibility (HUMPHREY apud PEREIRA, 1998):

- 1) in business-to-business relationships through subcontracting systems and networks that can unite large organizations, suppliers, small businesses, and microenterprises, as well as outside or home temporary work.
- 2) in contracting services, in which various jobs could be provided by third parties, which would manage cleaning, maintenance, canteen and surveillance services, among others, or would provide labor as needed.
- 3) in wages, established according to the worker’s productivity, his work group, the production unit, the company or even the economic performance.

4) in labor rights, by adjusting the number of workers to the level of production, through easier dismissal, hiring temporary workers, fixed-term contracts and self-employment.

5) in working hours, with variable time systems, such as reduced shifts, temporary layoffs, overtime, reworking of holiday breaks and shortened work hours to compensate, among others.

6) in functionality, with the increase in the variety of work performed by workers, who could be shifted from one task to another or even assigned to new functions extended and added to the original service.

Thus, the new concrete types of industrial organization respect the imperative that reproduces the territorial and productive systems of the *nouveau monde industriel* (Veltz, 2008). They are characterized by a renewed fabric, which integrates a network of relationships established at multiple scales, generating diverse material and immaterial flows. In this context, spatial interactions and intercompany division of labor become more comprehensive. In industry, manufacturing tends to involve different production and service companies, materializing productive, financial and commercial relationships through the articulation of agents in various strategies (MÉNDEZ, 2018).

The consequence of this is that steps previously carried out within industrial plants were dispersed, mainly through the hiring of external service providers. However, the most complete reading of these transformations considers the size of the geographical space. We know that it is only possible to understand productive processes in society (constituted by the set of political, economic and ideological characteristic) arranged on a more or less modified natural basis. This way, space receives the multidimensional plane of reality articulation, imposing itself as a productive force. As reported by Santos (1999), it is a materiality that drives and supports economic, political and ideological intentionalities, that is, it presents itself as an intermediary and an instrument, an environment and a mediation.

Any economic or political action must always include the detailed technical redesign of space, materialized through numerous objects that facilitate the flow and interconnection of places. Only then, decisions and directions (that guarantee concentration and dispersion of investments) can gain rationality, making productive efficiency a reality as well as making the complementarity of the production / circulation / distribution / consumption circuit a concrete fact (SANTOS, 1999).

Analyzing the evolution of business strategies in space, Camagni (1993) sees three well-defined logics regarding the configuration of factors of production and consumption that influence spatial articulation among the many companies that make up the circuit of relationships:

1) The first logic is associated with what the author calls “territorial organization”, in which the company articulates itself in a restricted market area, usually around its geographical location. The spatial arrangement of economic activities is

organized following a gravitation principle, in Christallerian style, in which spatial friction, represented by the cost of transportation or other locational factors, produces differentiation in the scope and capacity of the enterprise, implying a greater efficiency of local organization and a difficulty in inserting, in this market, companies fixed in distant regions.

2) Secondly, and in contrast to the traditional model, a “competitive logic” is installed, in which the company's commercial and productive reach “is not reduced to the local market alone, since transportation costs no longer play an important role”. Thus, “the company can sell its products everywhere, trying to control no longer the broader market area, but the broader part of the (world) market” (CAMAGNI, 1993, p.109). In this logic, competition happens in a different way due to the ability of companies to act in distant markets, making use of new competition strategies, especially advertising mechanisms and others linked to the relationship among different forms of capital or between these forms and the State. In such a model, “enterprise location is determined by a wide range of geographical and historical specificities, and no longer by a single logic such as that one arising from general location equilibrium models” (CAMAGNI, 1993, p.109).

3) The third and most recent logic of spatial organization of companies embodies the imperative of the new capitalist configuration, in which markets are the exclusive principle of regulation and competitiveness. Through new information technologies and flexible restructurings, the space of productive articulation and consumption translates these transformations into a “logic in network”. For the company, technological innovation becomes a crucial function and its evolution becomes associated with productivity and profitability goals, by restructuring intra-company, inter-company and spatial relations.

Space connections, previously limited to a narrow range, become global scaled from pre-selected ways and agents. The companies aim to build a global network of production and consumption units whose expertise is the result of worldwide arbitration conducted with multiple locations for optimal investment allocation. In addition, a greater international integration among financial bases, research and development centers and production and distribution units is established, favoring the arrangement of flexible horizontal structures for companies, even though the vertical and hierarchical relations regarded to space are intensified.

In this sense, the spatial materialization of the last arrangement becomes much more complex, requiring the presence of centrality nodes, articulated by material and immaterial routes with high rotational flows, expressed in a circuit that encompasses zones, points, poles, districts, parks, axes, routes and corridors interconnected from the new hierarchies of capitalist accumulation of a financial nature.

In general, this configuration produces a fabric in which a dense network of relationships is established, guaranteeing formal or informal, material or immaterial flows, by generating wide range of rationalist models of production and circulation in space. It also translates into an intense division of labor among companies specializing in the

manufacture of specific components or finished products, articulating financial control, business management, industrial design offices, manufacturers of goods and a whole range of micro, small, medium and large industrial or specialized services companies. in meeting the auxiliary demand, materializing the productive, financial and spatial relationships of interdependence.

Thus, the relationship between the various phases of industrial production also confirms an articulation between different territories or regions, with the degree of proximity among them varying in function of the spatial flow, the productive demand or the technological and informational capacity of the established business network. As we know that the networks is not limited to local scales, we observe that spatial restructuring produces a much more open and interdependent international articulation, subjecting space to deeper tensions with the relationships among global, national and local agents becoming more complex This way, according to the intentionality of the featured agents, material and immaterial flows have diminished and widen, being the the result of this, the dynamic interrelationship between distant spaces and / or the poor relationship between neighboring spaces.

It is a configuration marked by the subversion of the traditional hierarchical system of polarities, by imputing a requalification of the idea of proximity. The notion of relative proximity, configured from the greater density in the circulation of information must be added to the traditional idea of proximity, defined by the intensity of transport flows, people, products and goods. (LENCIONI, 2006).

Of course, information flow is not possible without institutional regulation, as well as the setting up of an infrastructure or of an efficient logistics in the space. In order to materialize the intentionalities of the agents in the new capitalist configuration, the territory must respond positively, especially with regard to the converging intentionalities of the dominant local agents, often translated into political and economic actions that introduce adequate rules and systems of objects.

Thus, the changes in investment strategies of large industrial and financial business groups must be understood in the trans scaling perspective. Due to the enormous capacity of the flow of investments, there is a liberalization and deregulation of territorial rules in a plan of integration with the great hegemonic interests. This is a phenomenon marked by the selection of territories suitable for the broad reproduction of profitability, conceived under an arbitrage system of operation with a great ability to decide which place and who will benefit from the virtues of investments.

Like Santos (1999), we emphasize that [...] this opulence of actions does not blindly precipitate over any point of the earth. The information that constitutes the actions is selective, seeking to focus on places where they can become more effective. This is a ruthless law in a world thirsty for productivity and where profit is a response to the exercise of productivity (SANTOS, 1999, p.162).

However, space only appears as a mechanism of capitalist accumulation due to its contradictory condition (homogeneous and at the same time fragmented), which allows

its differentiated use by society. The pre-existing qualities and defects evaluated by hegemonic agents - these “roughness”, as Santos (1999) say - constitute the coordinates that guide new actions, which are subordinated to a set strategy directly related to the imperative of competitiveness.

In fact, actions will define objects, giving them new meanings. In turn, objects will receive and value different actions, geographing them in different ways. In this equation, not only space hybridity is revealed, as suggested by Santos (1999), but also, as a consequence, its differentiation, responsible for the demarcation of the contradictions that make it the mechanism of capitalist accumulation. To consider that the intentionality of the actions or the actions themselves are geographically different is to conclude that the spaces have the “same use value and the same exchange value. Values that are not affected by the movement of history” (SANTOS, 1999, p.70).

Thus, there is no way to understand a well-defined political and economic arrangement that asserts itself as a precise configuration of capital accumulation, without understanding the social division of labor. Consequently, there is no way to understand different social combinations of techniques and works without a differentiation in space, what implies the unequal composition of places and territories. This way, “the social division of labor cannot be explained without the explanation of the territorial division of labor, which depends itself on inherited geographical forms” (SANTOS, 1999, p.113).

Each territory - with its specific characteristics in the face of the global capitalist accumulation movement - reveals a unique combination made to reproduce the devaluation forms. This depends on flexible integration and all sorts of networking strategies used by financial and industrial companies.

In the context of productive restructuring, for example, the new possibilities for flexible control of the global industrial production process arise solely on the basis of the different roles and spaces given the diffusion of innovation and the application of the corresponding rules. Simultaneously to a new rationalization of productive systems in industry, there is a spatial instrumentalization, transformed into a mechanism of industrial rationality. However, this instrumentalization is only affirmed if space permits, responding positively to external intentionalities with the convergent systematization of forms and policies, which is, for sure, not done homogeneously.

The result is the sharpening of geographical differences and the deepening of vertical cut-outs in space, leading to a greater hierarchy of territories aimed at facilitating productive and financial fluidity. The spatial organization that results from this dynamic will always be unequal. The different spaces that lay the foundations of a new architecture for globalization reproduce the principle of inequality as an essential factor of accumulation. In this sense, under no circumstances, space equitably organizes the social and economic scales of development.

In fact, geographical differentiations are manifested “in the ways of life, in the living standards, in the use of resources, in the relations with the environment and in the political and cultural forms” (HARVEY, 2004, p.110). To talk about capitalist

accumulation is, then, to talk about the production of territorial diversities, either in previous configurations or in recent configurations, or in spatial cutouts that group countries or subnational / regional cutouts.

This places the space as the driving force of social change, giving it a concrete political-economic character, mainly as a tool for the global production of productivity and profitability strategies. In the present context, the new accumulation of capitalism configuration also organizes actions and objects in a plan marked by spatial differentiation.

However, it is important to say that, thanks to the important redefinitions within the framework of political norms of informational techniques deregulation, the hegemonic agents of capitalist globalization make much more effective use of space differentiation. The inequality arrangement is further explored, as firms integrate labor productivity and capital cost differences into a global perspective (MÉNDEZ, 2018). In this new configuration, factors circulate in function of capital needs, which are responsible for a specialization, what further deepens the differences of spaces (PECK, THEODORE and BRENNER, 2012).

In the productive sphere, the process is characterized by the transfer of traditional segments of industry to spaces where the necessary conditions of capitalist development had not been fully constituted. Indeed, the flexible specialization and the disintegration of spatial obstacles provide productive investments with unprecedented mobility on the world scale, integrating space through a network that articulates material and immaterial flows, represented by capitals eager for valorization. As a consequence, in the last decades, old industrialized regions have undergone major changes in the experience of accelerated industrial decline, while other regions without factory tradition have become new centers of industrial growth and economic expansion. This can be observed in the changes indicated by Figure 1, which presents the percentage of the distribution of industrial production in the main regions in the world, demarcated in 1980 and in 2016.

This movement is most intense in countries of industrial tradition, as well as in those in which industrialization developed itself during the postwar time, as shown by Michalet (2003 and 2009) and Mouhoud (2008) in their books about this subject. In the United States, for example, changes have opened up new territorial frontiers, as confirmed by the Southern, West Coast, and Mountainous industrial poles. However, the decay of many manufacturing sectors has depressed traditional industrial areas, although some have succeeded in restructuring, such as the Boston region. In Europe, the deindustrialization movements reached, among others, England and France, with important traditional regions redefining their industrial economic roles, such as Manchester-Liverpool Calais-Dunkerque.

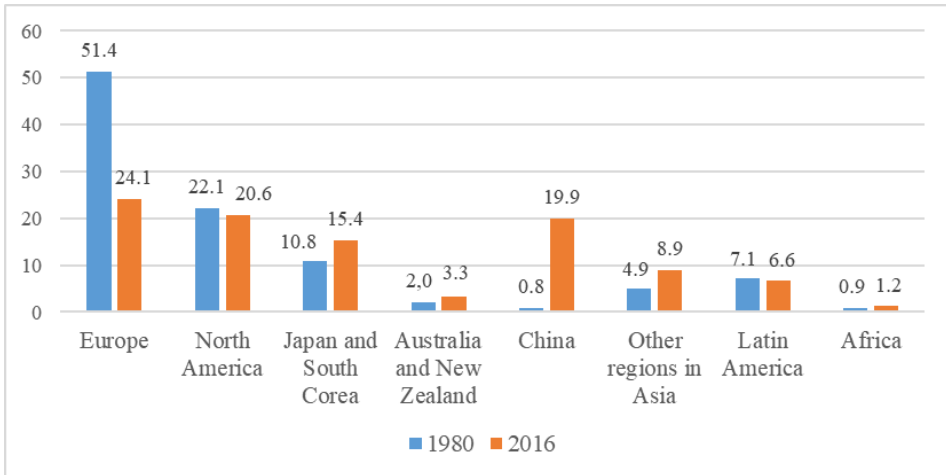


Figure 1: Regional distribution of industrial production in the world (%) – 1980 e 2016.
Source: ONUDI. *International Yearbook of Industrial Statistics*. Created from Méndez (2018).

At the same time, to the south of these countries, other regions are gaining importance, mainly with high technology activities. If this movement of companies could already be observed in the postwar time in a phase of capitalist expansion marked by the pattern of verticalization of productive circuits, nowadays it intensifies in flexibility that is the imperative of global competitiveness.

As Michalet (2009) points out, companies no longer have time to negotiate endlessly with the government of host countries or regions for authorization to invest. When decisions take too long or the required conditions are high, they simply move around, choosing where the offer of advantages is greatest. So, if “relocation” (MICHALET, 2009; MOUHOUD, 2008) was an industrial productivity strategy for only some sectors of the economy a few decades ago, today it has emerged as an essential mechanism for maintaining and / or increasing average accumulation rates. In fact, relocation is a restructuring strategy that deepens the modifications implemented through productive reengineering, by relocating branches or all production units of a company based on the technical and political advantages offered by different spaces.

Only in this way it is possible to combine the managerial and spatial conceptions of strategy, integrating the models of productive and labor flexibilization with the access to new national and regional markets capable of offering minimization of production costs.

Inserted into the process, unequal spatial ordering is increasingly effective as a mechanism of extended accumulation. These territorial strategies are intensively used in a context like the one of the last decades, marked by increasing declines in the average profit rates of the capitalists. In this sense, space is at the foundation of the ever renewed movement of capital accumulation. The materialization of its dialectic is confirmed from a systemic arrangement of differentiation whose the most striking aspect is the

simultaneity of dynamics in an unequal plane, ensuring the exploitation of advantages based on an integrated scheme of disparities.

Thus, the context that articulates objects and actions from a trans scaling combination that involves the global, the national, the regional and the local sets in motion the movement of history from the organization and reorganization of space. The most recent configuration of the geography of capitalism reveals this trend more clearly than at any other time, and no reading of the new events will grasp the complexity of the process without this conception.

Considerations

The new relations of capitalist reproduction favor the economic position conquered by finance in the order of accumulation. The events of recent years show that the capital, which is valued in the form of financial investment and which is derived from the profit sharing of industrial enterprises, is increasingly becoming the dominant fraction, including being able to command the other fractions of capital and their different rhythms of accumulation.

This is how the new industrial world conforms to the competitive logic of finance, for which short-term profitability and liquidity guarantee will always play a hegemonic role. Consequently, the productive patterns change as a whole. In addition, the industrial activity, reacting by mimicry, takes on the goals and rhythms of accumulation with financial domination.

These are factors that compel business leaders to adapt themselves to the most frantic rhythms of capitalist competition, often importing strategies from the world of finance by incorporating, if not the content of the mechanisms of accumulation by speculation, the ways of extracting surpluses compatible with the objectives imposed by the US. investors / shareholders, presenting equally favorable accounting results.

The new reality confirms Lordon's (2008) thesis on the power of finance, capable of transforming the "neurosis" of liquidity and of high profitability into a paradigm that advances for all economy spheres, whose consequence could be none other than the "obsessive" pursuit of reversibility and maximum profitability in production and labor relations. Such reversibility translates into reduced labor rights, intensified working hours, implementation of flexible and precarious production systems, adoption of product quality control circles with progressive increase in labor demands, generalization of subcontracting forms and other strategies that mark the demand for high accumulation rates through productivity efficiency.

These procedures are often used by companies in the most traditional industrial regions of the world. However, this does not mean that the new industrial regions are also unaffected by the prescription of productive restructuring. In this case, in addition to the recomposition of entire frames of the productive process into peripheral capitalist zones of the machinofacture tradition, new "reserve places" penetrate the circuit of increased

value accumulation, not without immediately incorporating the administrative demands and productive designs obsessed with apprehension. of super profits.

Looking at this process, we observe the importance of geographic space as a support and conditioning factor for all these changes. The set of economic and political intentionalities preceding the action is only affirmed if constituted in a localized system of objects, which in turn presents itself as a norm for the exercise of certain interests (SANTOS, 1999).

The new technological and informational reality is able to integrate, through circulation and production, portions of geographic space with different prices and labor productivity, opening a new possibility of cost reduction for capitalists. Thus, spatial differentiation manifests itself as synthesis. always provisional and renewed of contradictions and social dialectics in this new moment.

However, within all these possibilities, space is not merely a tool for the interests of accumulation. It also tends to be appropriate on the grounds of liberation from the imperative of financialization, in the context of an economic and political transformation that proposes more socioeconomic equity. The biggest challenge for spatial differentiation is how to base its capacity to create synergies in favor of a complete restructuring of society, imposing on the unequal economic order of the present a more humanly generous response.

Bibliography

AUVRAY, T. RABINOVICH, J. Cambios en la estructura de propiedad y la financiarización de las grandes empresas en Francia. In: SCHORR, M.; WAINER, A. (eds.). *La financiarización del capital: estrategias de acumulación de las grandes empresas en Argentina, Brasil, Francia y Estados Unidos*. 1a ed. - Ciudad Autónoma de Buenos Aires: Futuro Anterior Ediciones, 2018. p. 27 – 48.

BELUZZO, L. G. Prefácio. In: CHESNAIS, F. *A finança mundializada: raízes sociais e políticas, configurações, consequências*. São Paulo: Boitempo, 2005. p. 07 - 16.

BRENNER, N. Após a neoliberalização. In: BRENNER, Neil. *Espaços da urbanização – o urbano a partir da teoria crítica*. Rio de Janeiro: Letra Capital, 2018. p. 161 - 194.

CAMAGNI, R. Organisation économique et réseaux de villes. In: SALLEZ, A. (Org.). *Les villes, lieux d'Europe*. Paris: Datar/Éditions de l'Aube, 1993. p. 107 – 128.

CHESNAIS, F. O capital portador de juros: acumulação, internacionalização, efeitos econômicos e políticos. In: CHESNAIS, F. *A finança mundializada: raízes sociais e políticas, configurações, consequências*. São Paulo: Boitempo, 2005. p. 35 - 68.

DOWBOR, L. *A era do capital improdutivo – a nova arquitetura do poder, sob dominação financeira, sequestro da democracia e destruição do planeta*. São Paulo: Autonomia Literária, 2017.

HARVEY, D. *Condição pós-moderna*. 7ª.ed. São Paulo: Edições Loyola, 1998.

- HARVEY, D. *Espaços de esperança*. São Paulo: Edições Loyola, 2004.
- LENCIONI, S. Da cidade e sua região à cidade-região. In: SILVA, J. B. da; LIMA, L. C.; ELIAS, D. (Orgs.). *Panorama da geografia brasileira*. São Paulo: Annablume, 2006. v.1. p. 65 - 76.
- LORDON, F. *Jusqu'à quand? Pour en finir avec les crises financières*. Paris: Raison d'agir Édition, 2008.
- MÉNDEZ, R. *La telaraña financiera – una geografía de la financiarización y su crisis*. Santiago: RIL Editores/Insituto de Estudios Urbanos e Territoriales UC, 2018.
- MÉNDEZ, R; CARAVACA, I. *Organización industrial y territorio*. Madri: Editorial Síntesis, 1996.
- MICHALET, C. *O que é mundialização?* São Paulo: Edições Loyola, 2003.
- MICHALET, C. *Mondialisation, la grande rupture*. Paris: Éditions La Découvert, 2009.
- MOUHOUD, E. M.. *Mondialisation et délocalisation des entreprises*. Paris: Éditions La Découvert, 2008.
- PECK, J.; THEODORE, N.; BRENNER, N. Mal-estar no pós-neoliberalismo. *Novos Estudos CEBRAP*, São Paulo, n. 92, p. 59 -78, março. 2012.
- PEREIRA, J. M. D. *Flexibilização da produção e subcontratação do trabalho: o caso da indústria gaúcha de calçados de couro*. 1998. 271 f. Tese (Doutorado em Economia) – Universidade Federal de Pernambuco, Recife, 25 de agosto de 1998.
- PETRELLA, R. *Los límites a la competitividad: cómo se debe gestionar la aldea global*. Buenos Aires: Universidad Nacional de Quilmes/Editorial Sudamericana, 1996.
- SANTOS, M. *A natureza do espaço*. 3.ed. São Paulo: Hucitec, 1999.
- SASSEN, S. As finanças e suas capacidades: a crise como lógica sistêmica. In: SASSEN, S. *Expulsões – brutalidade e complexidade na economia global*. Rio de Janeiro/São Paulo: Paz e Terra, 2016. p. 143-178.
- VELTZ, P. *Le nouveau monde industriel*. Paris: Éditions Gallimard, 2008.

Edilson Pereira Júnior

Associate Professor at the State University of Ceará / UECE / Postgraduate Program in Geography / PROPGEO. CNPq Productivity Scholarship Level 2. PhD in Geography from Paulista State University/ UNESP, Presidente Prudente Campus / SP. Vicente Leite Street, 2121, Fortaleza-CE. ZIP Code: 60.170.151
E-mail: edilsonapjr@hotmail.com

Recebido para publicação em janeiro de 2019
Aprovado para publicação em julho de 2019