Does Economics Matter for/in Economic Geography?

Henry Wai-chung Yeung

Department of Geography, National University of Singapore, Singapore;
e-mail: geoywc@nus.edu.sg

Something must be seriously wrong with economic geography today to have prompted Amin and Thrift's (2000) recent commentary on the (ir)relevance of economic theory for economic geography. On the one hand, economic geography at the turn of the new millennium has witnessed a subdisciplinary revolution particularly associated with the "sociocultural turn" and the rise of "new economic geographies" (see Lee and Wills 1997). On the other, leading economic geographers have expressed serious concern with the recent geographical turn in economics (eg Krugman 1998) and the apparent decline in interest in economic geography by new recruits in human geography. In these changing disciplinary and employment contexts, Amin and Thrift (2000) make a strong plea for a cautious approach to a suggested rapprochement with formal economics and economists (cf. Clark et al 2000). They identify some new areas of economic knowledge outside mainstream economics that are "both flourishing and providing a genuine ground for the kind of contributions we can make" (Amin and Thrift 2000:8). Their argument is couched in rather hostile terms vis-à-vis (formal) economics and economists. They seem to be calling for a wholesale abandonment of our longstanding relationships with economics as an ally and for a realignment of our intellectual interests with those new areas of economic knowledge that are clearly still emerging and being developed in the social sciences.

In this response, I want to raise three further questions for our rethinking about the goals and practices of economic geography. They all have something to do with the role of economics in economic geography and with how best economic geographers can deal with the "problem" so vividly portrayed in Amin and Thrift (2000). These

© 2001 Editorial Board of *Antipode*.
Published by Blackwell Publishers, 108 Cowley Road, Oxford OX4 1JF, UK and 350 Main Street, Malden, MA 02148, USA

questions are concerned with: the problem of self-renewal in economic geography; our focusing on space and place in shaping the "economic," and ways to better engage economics and economists. I do not purport to provide comprehensive answers to these major questions. Instead, I aim to reflect critically on some of the important claims in Amin and Thrift (2000) and to share my views on these questions for the future of economic geography.

A Problem of Self-Renewal?

In the first place, the problem baffling Amin and Thrift (2000) seems to be related to the perceived lack of self-renewal within economic geography, in terms both of attracting new postgraduate students and of recruiting new faculty to teach and research in economic geography. Their explanation for this problem is the perception of economic geography as "narrowly specialized, increasingly focused on industrial districts, learning regions, clusters, and the like" (Amin and Thrift 2000:4). The self-renewal problem of economic geography is thus attributed to its lack of excitement and its failure to fire the imagination of postgraduates and faculty. While I quite agree that some branches of economic geography tend to deal with relatively mundane economic issues (eg the location of manufacturing plants), I think the main problem of our self-renewal—if it is a real problem—is the increasingly diffused and relativist nature of the subdiscipline today. I would go to the extent of arguing that economic geography today seems to lack both a precise intellectual focus and distinctive methodological practices. Economic geographers have basically swung the pendulum too far from a position dominated by neoclassical economics and political economy to one significantly permeated by cultural studies and poststructuralist analysis (see my review in Yeung forthcoming). I maintain, therefore, that the perceived problem of self-renewal is caused not by too much specialization in economic geography, but rather by too much distraction from other branches of the social sciences.

There are at least two consequences of this rapid shift in what interests economic geographers and what they do in their research. First, few recent postgraduates of human geography would consider themselves economic geographers as we know it, even though their research topics are deeply concerned with economic issues (eg firm strategies, international financial centers, labor market practices, and so on). After completing their PhDs, these postgraduates may subsequently be employed as political geographers, cultural geographers,

feminist geographers, labor geographers, or urban and regional specialists. Unfortunately, economic geography has become a by-product in their graduate studies, during which their attention is drawn to social theories, political studies, and the other latest "fads" in the social sciences. Given these "exciting" intellectual influences, there is no particular reason why these postgraduates should consider themselves economic geographers or why they should want to be employed as such. Second, the absence of the "economic" in much of economic geography today means that we are unable to attract prospective graduates and faculty who are disillusioned with the space-blind nature of formal economics. In other words, we risk losing the potential economists–turned–economic geographers as well (not that we have that many to begin with). Overshadowed by cultural studies and radical politics, economic geography thus suffers from a double problem of "brain drain" and external recruitment.

Although I agree with Amin and Thrift that this self-renewal problem could be very serious for the future viability of economic geography, I see no way out except by bringing the "economic" back into economic geography (2000). In this sense, economics *does* matter for/in economic geography. I am not claiming here that economics or economists should have a first claim over the economy as an object of analysis; that is an epistemological issue. In practical terms, however, they seem to have such a claim because of the ways in which the sociology of knowledge evolves. To sustain the viability of *economic* geography, we have to engage economics and economists. Aligning ourselves with new areas of economic knowledge is insufficient to address the root problem described above, as economic geography experiences both push from within (fewer geographers interested in economic geography) and pull from without (less recognition from economics and management studies). A wholesale retreat from economics would no doubt force us to look for "a different kind of economic theory in a postdisciplinary social science" (Amin and Thrift 2000:8). However, I am not sure whether we can maintain our disciplinary integrity in the new social sciences. After all, why do social scientists want to look to economic geography for new ideas and knowledge? If we are unable to offer something quite unique in understanding the economic world, why then should economic geography be recognized as a viable contributor to the social sciences? This need to refocus our intellectual attention on our core competencies as economic geographers is as important a strategy for self-renewal as is our premature alignment with new areas of economic knowledge.

Focusing on Our Core Competencies?

What, then, are the core competencies of economic geography and economic geographers? I think these are none other than such concepts as space and place in our understanding of the important forces shaping contemporary economic activities. I find it somewhat surprising that the role of space and place is not particularly featured in the two examples given in Amin and Thrift (2000), geographies of money and geographies of firms. In the first example, Amin and Thrift (2000) focus on the discursive construction of bodies of knowledge that somehow shape the market processes of global finance. However, they make no explicit reference to the role of space and place in shaping these discursive constructions of international financial markets (cf Hudson 1998; Clark and Wojcik 2001). Their second example is concerned with the evolution of firm-based learning via the development of community of practice. Again, the introduction of Wenger's (1998) three infrastructures of learning has little direct linkage to the role of space and place in facilitating firm-based learning (cf Storper and Salais 1997; Cooke and Morgan 1998). I have no difficulty in agreeing with Amin and Thrift's argument that "learning is a multiple, ongoing, distributed process that cannot be reduced to a set of formulae. Without a feel for the processes and practices that sustain learning, there can be no proper theory of the firm and therefore also no proper understanding of the sources of economic competitiveness" (Amin and Thrift 2000:8). However, the question of just how these processes of learning are embedded in specific territorial ensembles becomes a very important one, and one that, I would argue, can be answered satisfactorily only by economic geographers.

Strangely enough, Amin and Thrift's commentary on the future state of economic geography comes just when geography is increasingly being recognized by prominent economists (eg Paul Krugman, Anthony Venables, and Edward Glaeser) and management gurus (eg Michael Porter, Kenichi Ohmae, and John Dunning) as an important variable in shaping economic activities and performance (2000). If we as economic *geographers* do not take a lead in this "rediscovery" of geography in shaping economic activities, who will do so?

Let me give a brief example here to supplement the two in Amin and Thrift (2000). I believe that our understandings of space and place equip us well in entering into the globalization debate. As Amin argues convincingly in his recent paper, globalization centrally evokes geography and geographical imaginations, whereas the other social sciences are not primarily interested in the intrinsic spatiality of globalization (2001). I have argued elsewhere that globalization does

not lead to the end of geography. On the contrary, globalization further accentuates geographical differences and uneven development, and sensitizes us to (re)configuration of geographies of scale (Yeung 1998; 2000a). As economic geographers, we need to realign ourselves with new areas of economic knowledge. More importantly, we must also continue to lead the social sciences in understanding the role of space and place in shaping economic activities and performance, whether they are based on individual economic actors, firms, industries, markets, or regional and global economies.

Taming "the Lions"?

In doing so, there comes a time when we have to be pragmatic in knowing what we can do and contribute as an intellectual enterprise. In a rather graphic way, Amin and Thrift warn that we may become the prey if we lie down with "the lion" (economics) (Amin and Thrift 2000:8). They argue that it may be better for us if we align ourselves with emerging areas in the social sciences that generate new economic knowledge. I am not sure, however, that in doing so we may not face the dilemma of simply sleeping with a different breed of lions (eg institutional economics). I wonder whether it might be more challenging to try to tame the lions than to avoid them altogether.

This suggestion of a politics of engagement, rather than a politics of avoidance, is based on two reasons. First, I have argued above that we have to come to terms with economics because we cannot have an economic geography without the "economic." While I fully accept Amin and Thrift's suggestion to look for friendly ally disciplines for our intellectual development and integrity, I think we may be throwing the baby (the economic) out with the bathwater (neoclassical economics and structural political economy) (2000). After all, aren't economic geographers well known for our agility and adaptability to broader intellectual changes and developments in the social sciences? I see a dynamic economic geography as a moving target on which it is hard for the lion to prey. As long as we continue to develop our core competencies (focus on space and place) and to be open to new ideas outside mainstream economics, I don't see why the lion can prey on us, or would even want to. In fact, I think quite the reverse is true, in that economic geography, as a subdiscipline in human geography, is becoming better recognized in mainstream economics today (eg Baldwin et al 1998). Economic geographers can contribute to the internal reform of the narrowly specialized mainstream economics through our introduction of fresh and holistic perspectives. For

example, I felt quite uneasy when presenting a paper on regional production networks in a recent conference at which all other invited participants (over 20 of them) were either international economists or hard-core econometricians. I was very surprised to find out that they thought the idea of spatial fragmentation of production was a 1990 creation after Jones and Kierzkowski (1990) and more recently Feenstra (1998) and Venables (1999) (cf Fröbel et al 1980; Massey, 1984; Dicken 1986)! It is clear that there is a long way to go before mainstream economics can open itself fully to new areas of economic knowledge.

Second, I am very heartened to find that policy relevance remains a top priority in Amin and Thrift's Intervention (2000). They are absolutely right to point out that we need to "revive economic geography as an imaginative, relevant, and socially useful subject" and that "policy makers and practitioners are also turning to evidence-based economic research" (Amin and Thrift 2000:5, 8). To extend their argument, is it then possible that economic geographers can arm-twist the economists—and therefore tame the lions—through our strategic interventions in the policy world?

Of course, there is no shortage of recent introspection within economic geography itself on this call for policy relevance (see Markusen 1999; Martin 1999, forthcoming; Peck 1999). Peck has pointed out that economic geographers tend to be "deployed as the manual laborers of the policy world, earning rewards and exerting influence in ways commensurate with this position in the policy-making division of labor. Meanwhile, it is an economist, rather than an economic geographer, who is whispering in the ear of the minister" (1999:134). Linking to the earlier problem confronting economic geography, this lack of prestige and influence in the policy circle is perhaps one of the most serious challenges that lead to the declining interests among graduates and faculty in economic geography. In their responses to Peck (1999), Pollard et al (2000) and Banks and Mackinaw (2000) rightly challenge that geographers have indeed plenty to contribute to public policy in different domains and spatial scales (particularly the local scale). However, I think we do have to take seriously Peck's warning of too much "localism and particularism" and "bottom-up" policy development in geographical research (2000:256).

To sum up my response to Amin and Thrift, I do not think we need to be afraid of the lions and seek protection from other friendly allies in the social sciences (2000). While we should be open to new concepts and ideas from these allied disciplines, we should continue

to engage economics and economists both in theoretical developments, with our emphasis on the spatiality of economic processes, and in making the world we live in better through our contributions to public policy. I have discussed elsewhere how best we can practice "new economic geographies" to enable the subdiscipline to be more imaginative and interesting (Yeung 2000b). Economic geography does need economics to realize its full potential. To do so requires a strong collective commitment among economic geographers to stand firm on what we can offer and to fight off external threats of assimilation from mainstream economics.

Acknowledgements

This response benefited from very useful comments from Tim Funnel, Peter Dicken, and Adam Tickell. I alone am responsible for the opinions expressed here.

References

Amin A (2001) Globalisation: geographical imaginations. In N Smelser and P B Baltes (eds) *International encyclopedia of the social and behavioral sciences.* Amsterdam: Elsevier Science

Amin A and Thrift N (2000) What kind of economic theory for what kind of economic geography? *Antipode* 32(1):4–9

Baldwin R E, Lipsey R E and Richardson J D (eds) (1998) *Geography and ownership as bases for economic accounting.* Chicago: University of Chicago Press

Banks M and MacKian S (2000) Jump in! The water's warm. *Transactions of the Institute of British Geographers* 25(2):249–254

Clark G L, Felman M A and Gertler M S (eds) (2000) *The Oxford handbook of economic geography.* Oxford: Oxford University Press

Clark G L and Wojcik D (forthcoming) The city of London in the Asian crisis. *Journal of Economic Geography* 1(1)

Cooke P N and Morgan K (1998) *The associational economy: firms, regions, and innovation.* Oxford: Oxford University Press

Dicken P (1986) *Global shift: industrial change in a turbulent world.* London: Harper and Row

Feenstra R C (1998) Integration of trade and disintegration of production in the global economy. *Journal of Economic Perspectives* 12(4):31–50

Fröbel F, Heinrichs J and Kreye O (1980) *The new international division of labor.* Cambridge: Cambridge University Press

Hudson A C (1998) Placing trust, trusting place: on the social construction of offshore financial centers. *Political Geography* 17(8):915–937

Jones R W and Kierzkowski H (1990) The role of services in production and international trade: a theoretical framework. In R W Jones and A O Krueger (eds) *The political economy of international trade.* Oxford: Blackwell

Krugman P (1998) What's new about the new economic geography? *Oxford Review of Economic Policy* 14(2):7–17

Lee R and Wills J (eds) (1997) *Geographies of economies.* London: Arnold
Markusen A (1999) Fuzzy concepts, scanty evidence, policy distance: the case for rigor and policy relevance in critical regional studies. *Regional Studies* 33(9):869–884
Martin R (1999) The "new economic geography": challenge or irrelevance? *Transactions of the Institute of British Geographers* 24(4):387–391
Martin R (forthcoming) Geography and public policy: the case of the missing agenda. *Progress in Human Geography* 24
Massey D (1984) *Spatial division of labour: social structures and the geography of production.* London: Macmillan
Peck J A (1999) Grey geography? *Transactions of the Institute of British Geographers* 24(2):131–136
Peck J A (2000) Jumping in, joining up and getting on. *Transactions of the Institute of British Geographers* 25(2):255–258
Pollard J, Henry N, Bryson J and Daniels P (2000) Shades of grey? Geographers and policy. *Transactions of the Institute of British Geographers* 25(2):243–248
Storper M and Salais R (1997) *Worlds of production: the action frameworks of the economy.* Cambridge: Harvard University Press
Venables A J (1999) Fragmentation and multinational production. *European Economic Review* 43(4–6):935–945
Wenger E (1998) *Communities of practice: learning, meaning, and identity.* Cambridge: Cambridge University Press
Yeung H W (1998) Capital, state and space: contesting the borderless world. *Transactions of the Institute of British Geographers* 23(3):291–309
Yeung H W (2000a) The dynamics of Asian business systems in a globalising era. *Review of International Political Economy* 7(3):399–433
Yeung H W (2000b) *Practicing new economic geographies? Some methodological considerations.* Paper presented at RGS-IBG annual conference Brighton University of Sussex 4–7 January
Yeung H W (forthcoming) Regulating "the firm" and sociocultural practices in industrial geography II. *Progress in Human Geography* 25:2