

THE ENTREPRENEUR'S NEW CLOTHES

by
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This article is a wonderful blast from the past. I remember at Oxford David Harvey handing me a draft of 'From managerialism to entrepreneurialism' when it was hot off the printer, hot off *his* printer. What a great thrill it was for a twenty-something graduate student who'd hitherto searched every library stack in the land for anything and everything that David Harvey had written; now, I was getting hold of his writings almost before the ink had dried, firsthand! I hadn't long started as one of his DPhil intakes, when he was still in the throes of transition, still undergoing cultural acclimation. He'd not long "gone up" to the Halford MacKinder Chair, crossing the Atlantic from Baltimore, from Johns Hopkins University, to engage with changes happening in the global political economy, in culture, in urban governance, and in Britain; from Reaganomics to Thatcherism in one fell swoop. The fruits of this intellectual labour, of his dialectical tussle, would soon emerge in what remains his bestselling book, *The Condition of Postmodernity* (1989a), published the same year as the brilliant *Geografiska Annaler* article (1989b).

In many ways, the *Geografiska* article condensed *Condition of Postmodernity's* central urban thesis, which itself was bedded down in the grand debates of that era, grand narrative debates about "post-Fordism" and "flexible specialization", about the "Third Italy" and Benetton's small-batch production, about *Marxism Today's* "New Times" and Piore and Sabel's *Second Industrial Divide* (1984), about artisans of the world uniting, having nothing to lose but nasty economies of scale. Here we had the immanent perils and possibilities of a new decentralized small-scale future getting expressed, a future apparently up for grabs, for both the neo-con Right and the Communist Left. But Harvey was having none of this, and, as ever, framed his Marxism in his own inimitable way. He rejected the idea of flexible specialization, seeing it as something benign and bourgeois, as ideologically laden and technologically loaded; whose prosperity were we talking about? The downsized labourer or entrepreneurial boss?

Harvey framed things around the more critically charged flexible accumulation, which signalled greater versatility within the way capitalism went about its growth business, how the mode of production was shrugging off the rigidities of Fordism, reinventing labour markets, new products and consumption patterns, prizing open lucrative ways to financialize capital and gouge evermore surplus value from a multitasking non-unionized workforce, whose actual numbers on the job were dwindling. These changes entailed new rounds of "time-space compression", transforming not just the economy but culture, too, along with established forms of political and urban governance. Harvey (1987a) had already spelt out a couple of years earlier how flexible accumulation mobilized urbanization as a growth strategy, as a dynamic growth machine, doing so via informalization and impoverishment, via symbolic capital and spectacle "bread and circuses" architecture. Flexible accumulation unleashed gales of creative destruction, Harvey said, decimating poor urban populations in the process, generating acute urban rivalries and vicious zero-sum games.

From managerialism to entrepreneurialism was the medium through which these urban rivalries and zero-sum games were waged, the anvil upon which flexible accumulation was forged. What we were witnessing in the 1980s was something significantly different from the 1970s, different from the old "managerialist" public urban process. Now, we had a capitalism responding to urban crisis, a capitalism much more deregulated and volatile yet more repressively ordered, more fiscally ruthless. What was remarkable, Harvey said, was how privatization and market rationality became an orthodoxy cutting across political parties as well as national boundaries. Harvey was brilliant at pinpointing new warnings for Marxists and critical urbanists, about how they were fraternizing with the devil and how they could make other more progressive compacts. At the time, I'm not sure his voice was universally heard. It could have been a "geography" thing, that the discipline wasn't seen as intellectually and politically credible enough, vis-à-vis history and sociology, vis-à-vis economics. Things are different

today: David Harvey has moved well beyond geography and is now a global rock star public intellectual; back then, in 1989, he was a stellar rock star *academic geographer* whose audience was large but restricted.

All that was a political pity because he was emphasizing seismic tremors the Left has never really come to terms with. The 1980s bid adieu to an age of social democratic reformism, to an era when the public sector was the solution to a decidedly crooked private sector. But soon ideologues and entrepreneurs reversed the logic, saying the private sector was now the solution to a crooked and bloated public sector. The Keynesian–Fordist project was *kaput*. The promise of managerial urbanization – when state bureaucrats allocated public goods under some principle of redistributive justice and vague ideal of equality – had given way to an urbanization in which the *market* was the panacea. Writ large was the unaccountable privatization of everything, the outsourcing of democracy.

David never really spelt out what he meant by “entrepreneurial”; he left it as given we’d somehow know. But you could object at the labelling. You might even argue that Thatcher’s assault on welfare provision and blatant class warfare created a generation of lazy entrepreneurs in Britain, capitalists who had no need to innovate or even become entrepreneurial because business was handed to them on a Tory silver platter. Maybe what was most “entrepreneurial” about the 1980s was the innovative way in which the private sector reclaimed the public sector, used the public sector to prime the private pump, to subsidize the reproduction of capital rather than the reproduction of people. Any opposition was systematically seen off, done in, both materially and ideologically. Before long, municipal entrepreneurs began to pass their working day applying cost–benefit analysis to calculate efficiency models, devising new business paradigms for delivering social services at minimum cost; services inevitably got contracted-out to low-ball bidders, and whole government departments were dissolved or replaced by new units of non-accountable “post-political” middle-managers, whose machinations were, and are, about as publicly transparent as mud. Is all this somehow “entrepreneurial”? I guess it depends on what you mean by entrepreneurial.

At any rate, the scene was set for Tony Blair and Bill Clinton to expertly finish the job that Thatcher and Reagan initially engineered. By the backend of the 1990s, corporate, financial and state power was

stitched together with barely any trace of a seam. Maybe the entrepreneurial paradigm that Harvey outlined got blown away around 1997–1998, amid the global turbulence of the Asian crisis, which inaugurated the real subsumption of the economy under the drive for shareholder value. Thereafter, the global urban condition hasn’t so much been based around entrepreneurialism as *parasitism*. Urban “scarce” resources have since become speculative stock, new futures and options for fresh rounds of primitive accumulation in times of public sector austerity, redoubled after the 2008 financial meltdown.

What we have now, accordingly, is a sort of parasitic mode of urbanization under which social wealth is consumed through conspicuously wasteful and decidedly non-entrepreneurial enterprises, administered by parasitic elites (the 1%) who seem to thrive almost exclusively off unproductive activities. They chomp away at the common-wealth the world over, eat away inside the social body, strip peoples’ assets, foreclose homes and rabidly extort land rent, making land pay anyway they can, dispossessing value rather than contributing anything towards its creation.

Is this parasitic activity entrepreneurial? Somebody pretty smart, after all, thinks it all up. Maybe creative accountancy and the creative ways to avoid paying tax we see everywhere around us today is entrepreneurial? And those mysterious fees fleeced out of us whenever we use our credit cards or receive a utility bill? Maybe the creative finagling of stock markets and LIBOR rates is another example of entrepreneurial innovation? And the ubiquitous creative destruction of competition by corporations like Microsoft and Amazon to garner inflated monopoly rents and profits? Maybe one of the most dynamic and innovative entrepreneurial activities is the creative excuse that banks and financial institutions invent to cadge money off the state? Maybe these players are the real creative classes?

On the other hand, isn’t this the *pretence* of entrepreneurship and creativity? Isn’t the problem that we’ve all been playing along with this pretence, like the townsfolk of Hans Christian Andersen’s tale? We’ve somehow believed *The Wall Street Journal’s* rhetoric and ideological distortions, absorbed its notion that obscene wealth is achieved through hard earned graft, through entrepreneurship, through innovation and creation. But the emperor entrepreneur doesn’t have new clothes on; he’s starkers and we’ve all been had.

Of course, David Harvey knows this; indeed,

he knows about it probably better than anybody. And he's taught me to think about a lot of it, too. So there's nothing in his *Geografiska* thesis that didn't anticipate such a state of affairs. But his periodization of the passage from one form of urban governance to another requires an upgrade and an updating nonetheless, a *re-periodization* in the light of more contemporary finagling. Along the way, he might add something he left out of the 1989 paper. Then he was concentrating on urban governance without saying anything about the urban academics who got "entrepreneurial" during the 1990s. David chose to develop urban and Marxist theory and write books, to teach *Capital* and speak everywhere, opening his scholarship out to engage politically with the world; but there were plenty of other radical scholars who cunningly moved in the opposite direction. They turned their backs on the world and withdrew into institutional politics, into the administration of the academy, entrepreneurially ascending the slippery ladder of corporate university power. Curiously, in a 1987 polemic (Harvey 1987b), David himself coined an acronym for these entrepreneurial academic-manager types who bought the whole neoliberal, grant-giving, REF-obsessed bit: FRUMP: *Formerly Radical Upwardly Mobile Professional*. From managerialism to Thriftism?

Now many FRUMPs head up universities like raving Captain Ahab, hunting the great white neoliberal whale. Some steer their vessels towards deskilling and the progressive production of the contingent lecturer, towards the hollowing out of faculty salaries and grant-grabbing necessities for professional survival; they sign low-balling cleaning and service contracts, endorse tuition hikes, dorm rent raises, keeping afloat the university as a growth machine and arch-gentrifier – this as FRUMPs help themselves to bigger cuts of the accumulated booty, harpooning every enemy on the high sea. And this as cowering radical crews play along with the pretence, kowtowing to the neoliberalization of their workplace and labour process, writing "radical" tracts for journals run by multinational publishing conglomerates.

But David chose to fight other battles. And despite the frequent coolness of his analysis, there's always been a warmth of will, a tireless optimism

that never lets up, not even in his *Geografiska* article. In the long, concluding paragraph, he hints at something he's never followed through on. He hints at something positive going on within the negative: 'The idea of the city as a *collective corporation*' (Harvey 1989, p. 16, emphasis added). I've flagged up collective corporation because it's high time the Left got entrepreneurial itself, really entrepreneurial I mean, really imaginative about how we might reinvent new use-values, about how we might reclaim the public domain and redevelop the city as an innovative form of collective cooperation and collective corporation. We need to devise another notion of a "Publicly Limited Company" based on real human sociability. Over the past few decades, we've had lots of cynics in our midst, lots of speculators and rentiers, lots of administrators and middle-mangers, lots of Vice-Chancellors and CFOs who seem to know the price of everything, cynically calculating the price of public culture and higher education; yet they sneer at the real value of things. We, on the Left, need to follow David Harvey's lead from 1989 and affirm another value yardstick, one that might enrich urban and university life beyond wealth, beyond the gilded lies of the entrepreneur's new clothes.

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