

It is difficult to imagine a German or Czech finding the public space in which to write this book, given the topic's ongoing political sensitivity in Central Europe. Even as histories of German "victimization" during and after World War II have multiplied in the last decade, such histories remain suspect among the many who see them, understandably enough, as an attempt to mitigate the Nazis' crimes against humanity. Douglas calls for both a historical and commemorative approach that does not relativize Nazi brutality or ignore the context in which the expulsions of the *Völkische* took place, but instead focuses "squarely on the human person, which both in 1939–45 and 1945–47 was reduced to an abstract category rather than recognized as an all too vulnerable individual." This is a laudable goal, but it does not resolve the underlying tension between the project of commemoration, with its selective focus on victimization and memorialization, and the documentary and interpretive goals of historical scholarship.

Douglas also condemns the arguments that justify or normalize the expulsions, which still carry weight among some political scientists. The population transfers were not, he rightly argues, necessary or justifiable because of intense popular hatred of the *Völkische*—in fact, spontaneous retaliation was uncommon, and occurred in Czechoslovakia and Poland mostly when responsible authorities either abetted or participated in the violence. Nor did population transfers prevent the outbreak of a Third World War; instead, the Allied occupation of Germany did. And the punishment meted out to the expellees was not a just form of retaliation, because revenge does not equal justice. Douglas denounces the refusal of Czechoslovak officials to revoke the Beneš decrees, as well as the ongoing lack of redress for the expellees themselves. As recently as 2002, Czech courts reaffirmed the validity of a 1946 law that retroactively legalized "just reprisals for actions of the [German] occupation forces and their accomplices... even when such acts may otherwise be punishable by law." This statute continues to prevent the investigation or prosecution of any murder, rape or torture of Germans that took place in Czechoslovakia prior to October 28, 1945, when the first postwar Czechoslovak parliament was reconvened.

Ordery and Humane contributes to the ongoing reassessment of the immediate aftermath of World War II, highlighting the dark, violent side of liberation. Accounts of ethnic cleansing, anti-Semitic violence, rape and plunder

that occurred after the Nazi defeat challenge our most cherished ideas about World War II as a "good war." They also shatter any notion that 1945 was a *Stunde Null*, or "zero hour," a moment of spiritual conversion in which many Europeans were born again as believers in the creed of democracy and human rights. And they force us to re-examine the liminal years of 1945–48 on their own terms, asking which aspects of Nazi ideology were actually discredited by the experience of the Nazi occupation, and which persisted beyond the Third Reich's defeat.

Knowledge of the wholesale massacre of European Jewry certainly did not discredit anti-Semitism in Europe (or the United States, for that matter). After the war, pogroms and plunder drove the vast majority of surviving Jews in Poland, Romania, Hungary and Czechoslovakia to flee to occupied Germany, of all places, and the protection of the Allies. Even Allied authorities saw Jewish survivors as undesirable immigrants, often offering asylum to Baltic and Ukrainian former SS members—now rehabilitated as victims of Communism—rather than to Jews. Above all, the experience of Nazi occupation did not discredit nationalism or the policies of ethnic cleansing. Eastern Europeans and the Great Powers alike emerged from the war more confident than ever that reconstructing a peaceful Europe

required purging states of their national minorities, strengthening their sovereignty and restoring the national honor that had been compromised by the Nazi occupation.

Douglas concludes by calling the expulsions a "tragic, unnecessary, and, we must resolve, never to be repeated episode in Europe's and the world's recent history." But, of course, the tragedy of ethnic cleansing has been repeated many times over since 1945. To this day, the phrase "nation building" is used interchangeably with "state building" in the Western press, conveying the impression that democratic states are built on the foundation of ethnically homogenous nations. While the Dayton Accords, which ended the war in Bosnia, did not explicitly endorse ethnic cleansing—and, in fact, contained provisions to protect minority rights—they brokered a peace by allocating sovereign territories to Serbs, Croats and Muslims. This, in turn, ratified the ethnic cleansing that had already occurred, reinforcing the assumption that homogeneous nation-states are a precondition for stable democracies. That presumption continues to shape foreign policy, and to find support among serious scholars. In reality, the historical record has shown that national antagonism and violence are often the product, rather than the cause, of population transfers, and that ethnic cleansing is the prelude to a brutal peace. ■

Econ-Geo

by CATHERINE TUMBER

Over the past ten or so years, the field of economic geography has acquired breathtaking cultural authority. Not surprisingly, the discipline's rising prominence has paralleled our national reckoning with globalization, which has disoriented and dislocated untold numbers of people (by 2008, for example, the percentage of the world's population living in cities had swelled to 50 percent; in 1950, it was less than 30 percent). National and urban boundaries have proved to be no match for the rapid movement of global capital and the scale of the financial and corporate institutions directing it. Competing with the old political sovereignties are new economic regions fan-

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The New Geography of Jobs

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ning out from cities. It is no coincidence that on the heels of the World Trade Organization protests in Seattle in 2000 came the launch of the *Journal of Economic Geography*, the first US venue devoted to scholarship on the subject since 1925.

In *The New Geography of Jobs*, Enrico Moretti joins Edward Glaeser, Richard Florida and a host of other high-profile academic geo-economists who have turned the metrics-based technical research demanded by their field into books for a larger audience. Moretti's book has been widely celebrated—*Forbes* calls it the most important read of 2012—as have Glaeser's *Triumph of the City* (2011) and Florida's several contributions, beginning with *The Rise of the Creative Class* (2002). And like them, Moretti, who teaches

economics at the University of California, Berkeley, charts the cultural and geospatial shape of the “post-industrial” US knowledge economy brought about by the market deregulation that began in the 1980s.

Examining long-term structural trends over the past thirty years, Moretti argues that innovation will continue to fuel American prosperity as never before. Assuming that low-skill manufacturing jobs have been offshored for good, he argues that “human capital” has become the coin of the realm, because it alone adds value in the ever faster-churning pace of “globalization and technological progress”—twin wheels of fortune that Moretti treats as fixed axioms. Indeed, the very “fate” of the nation, he claims,

To those in the floundering middle class, Moretti advises: get thee to a brain hub.

hinges on serving the needs of “talent”: the most creative, patent-hatching, high-tech “breakthrough” innovators, as well as those who take the risks of financing them. Chief among their needs, according to Moretti and others, is geographic proximity: to function optimally, “smart people” must be located near one another to toss around ideas in their labs and over lunch. Their ensuing “knowledge spillovers” are most fertile when industries cluster, making it possible for, say, nanotechnology experts to have face-to-face contact with other experts in the nanotechnology “ecosystem,” which critically includes venture capitalists who observe the “twenty-minute rule,” or the drive time they insist is required for “active monitoring, nurturing, and mentoring of new businesses.”

All this fevered networking has spawned what Moretti calls “brain hubs,” cities that attract high-tech talent and spin off entrepreneurial start-ups in “an almost magical economics of job creation.” These metros are poised to grow, too, or to experience “agglomeration,” because both employers and employees thrive on the multitude of supply-and-demand choices offered by “thick labor markets.” Size begets size. “This is bad news,” Moretti states flatly, for smaller industrial cities, which “are destined to experience a reduced inflow of well-educated professionals and will therefore miss out on the innovation sector, thus becoming poorer over time.”

Moretti has a term for these geo-economic developments: the Great Divergence. Ten years ago, the prevailing wisdom held that the

new information and communications economy would bring about greater “locational freedom,” and that innovation jobs would spread evenly throughout American communities, with high-tech employers eventually drawn to the lower land values of weaker-market cities. But as it turns out, he argues, it is harder to disperse innovation evenly than it is to relocate manufacturing, thanks to the rare complexities of its ecosystem (i.e., talent’s need to exchange ideas with other smart people). Rather like the “assortative mating” that divides the world into “power couples” and—what to call them?—schlubby down-market couples, innovation does not share the wealth geographically. Instead, the United States is undergoing a big urban sort into “Three Americas,” separate and unequal: brain hubs, shrinking former manufacturing centers and “cities that could go either way.” And their divergence from one another is proceeding at an accelerating

rate, replacing segregation by both race and class. Echoing Richard Florida’s *Who’s Your City?*, Moretti observes that one’s economic prospects are therefore tied increasingly to where one lives.

For those in the floundering middle class, Moretti thinks the lesson is clear: get thee to a brain hub. He argues that the talent pools amassing in places like Seattle, Silicon Valley, Boston and Austin do much more than enrich the country’s GDP and their own kind. They also provide a market for more prosaic services such as healthcare, plumbing, accounting, landscaping, hairdressing, teaching and—yes—yoga. And because the talented are richly compensated by the global marketplace, they presumably increase the number of jobs and raise wages for local service workers, who benefit from the multiplier effect: Moretti estimates that one high-paid job in the innovation sector supports an average of five service jobs.

One of the peculiarities of geo-economic arguments like Moretti’s is that, for all its studied methodological neutrality, it smuggles in political economy under the cover of geography—and even metaphysics. Globalization and technological progress—the “economic forces” animating the Great Divergence—are “inevitable,” “irreversible” and “magnetic,” according to Moretti. Yet the decline in manufacturing and the rise of the knowledge economy were hardly that. We can debate the wisdom of moving

with all due speed to a postindustrial society thirty years ago and deregulating global markets as never before. But there is no question that the process was abetted by systematic disinvestment in the manufacturing sector and its host cities, as Barry Bluestone and Benjamin Harrison showed in exacting detail in *The Deindustrialization of America* (1982). Clearly, manufacturing had entered a period of upheaval by the 1970s, but nothing foreordained the wholesale disembowelment of the country’s manufacturing infrastructure and skill base.

Moretti’s blindness to this history manifests itself in all kinds of ways. For example, he ascribes rising postwar manufacturing wages (until 1978) exclusively to greater productivity through automation and “better management practices,” with nary a word about the role of unions in safeguarding wage scales and skill transmission through the master-apprentice system, or the market bonanza created by federal suburbanization policy and a decimated postwar European economy. More startling is his neglect of one of the biggest economic trends of the past thirty years: the financialization of the US economy, with the finance sector’s share of domestic corporate profits rising from about 15 percent in 1985 to about 40 percent on the eve of the 2008 crash. Moretti argues that it is a “misconception” to attribute today’s increasing income and geographical inequality to “deliberate economic policies” such as the deregulation of the financial industry, aided in 1999 by the gutting of the Glass-Steagall Act, which for over sixty years prohibited commercial banks from engaging in financial speculation. Stories vilifying the “greedy” Wall Street banker, he patiently explains, have been a mainstay of Hollywood for thirty years, but they are purely entertainment, nothing more. Rather, according to Moretti, growing wage inequality is simply a problem of supply and demand: “namely, an increase in the demand for college-educated workers” prepared for innovation work, “and a slowdown in the supply.”

Moretti also ignores the role that banking deregulation has played in spiraling tuition costs (not to mention the great credit-card debt and mortgage swindles), which have put a college degree—the gateway ticket to brain hubs and their riches—increasingly out of reach for two generations of Americans who faced stagnating, and then declining, wages. Rather than considering the income inequalities caused by, say, the shredding of Glass-Steagall, Moretti treats readers to a lengthy,

statistics-laden lecture on the lifelong value of investing in a college education—which these days costs, on average, \$102,000. Whereas Henry Ford paid his workers wages high enough to buy Model T's, Moretti's market-based antidote to today's falling wages is Walmart's low prices, which disproportionately make the low-income consumer "a little richer" and are made possible by the company's employment of developing-world workers to boot. As far as Moretti is concerned, "Everybody wins."

The only policy reforms Moretti can justify are those that correct for "market failures," among which he does not count declining wages. He calls for increasing public subsidies for higher education, because the "social return" on such investment runs high in the knowledge economy. Likewise, and more controversially, he'd like to see taxpayers compensate private investors in R&D whose returns, while healthy, are hardly equal to the benefits they create for the larger economy. Government should also take a more aggressive approach to supporting the innovation sector by issuing more H-1B visas to snare foreign research talent, and to addressing unemployment by substituting relocation vouchers for a portion of unemployment insurance benefits.

When Moretti does engage those who are less enamored of the cult of innovation and its "inevitable" geographical disaggregation into three unequal Americas, it is only to pan their ideas. Chief among these are advocates of most "place-based" policies (advanced ever so tentatively by the Obama administration) to reinvest in building stock, cultural amenities, and urban design and economic development programs in old industrial cities. Such reinvestment is a form of "welfare," Moretti claims, supporting a lost cause. But he ignores those aspects of the place-based approach intended to prepare for global warming. Here, old industrial cities have an abundance of natural and historical advantages. Most of them, after all, are situated on some of the richest farmland on earth and, by historical happenstance, along inland waterways—both of which will be crucial to long-term resilience in a productive green economy. In a fatal oversight, Moretti doesn't consider climate change's potential disruptions to global trade, or the geopolitical food-security dangers posed by the world's finite supply of fossil fuel. (All he says is that transportation costs are "low.") Like other neoliberal boosters of the knowledge economy, Moretti fails to see that markets

aren't structured to plan for such long-range eventualities and that, while essential to our low-carbon future, technological progress alone will not solve the problem of severe resource scarcity, or the wars that may be fought over oil or food.

Moretti also belittles those he dubs "manufacturing activists." These include artisanal manufacturers producing pickles in Brooklyn and handcrafted cloth in San Francisco. While he appreciates their yearning to restore craft skills and "localist" economics, he fairly concludes that such operations are not likely to scale up beyond small niche markets. Moretti has less patience with those who see the recent uptick in industrial "reshoring" as the beginning of a revival of American manufacturing, and who advocate for trade and subsidy policies that would encourage the trend. In fact, Moretti explains, occasional US plant openings may make for "compelling media stories," but he can only shake his head at the naïveté of the professional policy advocates pushing for a "National Strategy for Manufacturing": they should know that they "cannot simply command the forces of history."

Here once again, Moretti allows abstract "forces"—divined from long-term geoeconomic trends—to overshadow how decisions by flesh-and-blood humans can alter economic forces. Those who call for a manufacturing strategy (mainly analysts from the Brookings Institution—something readers will not learn from the notes in a book marred by limited sourcing and evidence) are reviving the case made in *Manufacturing Matters*, the 1987 book by Stephen S. Cohen and John Zysman. Moretti's approach is all the more surprising given that advocates then and now base their case on the importance of manufacturing to innovation—albeit not the big-science "breakthrough" innovation that Moretti swoons over, but the "process" innovation of applied science that refines production techniques, emanates from experience on the shop floor and reverberates throughout the supply chain. As Cohen and Zysman explained at the time, "If the United States loses control and mastery of manufacturing production...the high-paying service jobs that are directly linked to manufacturing will, in a few short rounds of product and process innovation, seem to wither away (only to sprout up offshore, where the manufacturing went)." In fact, that is just what happened. While the innovation sector hummed along in the 1990s, by the 2000s American multinationals started sending their high-end services and knowledge work overseas as well—where their cutting-edge intellectual property was more easily appropriated

by foreign competitors. Indeed, this is one of the reasons that US manufacturers are beginning to reshore. It turns out, then, that manufacturing has its own "ecosystem" of innovation consisting of suppliers, skilled workers, engineers and management, all requiring continuous improvement and education to stay competitive. And it is not as transportable as the postindustrial knowledge economy enthusiasts of the 1980s assumed it was when they took the historical stage and decided to separate knowledge work from manufacturing work half a world away.

It turns out that not everything is a win-win, in neoliberal speak. More Americans may become better educated or end up working in the servant class tending the new aristocracy of "talent," but that alone won't address the economy's long-term structural problems—the ones created by people, not forces. If things get hot enough, don't be surprised if some innovative brain hubber develops an algorithm for determining how many ways our fractured republic might reach its breaking point. A far more effective response to our economic challenges, however, would require a great deal more common sense and a lot more understanding of history. ■

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