At a time dominated by a sense of never-ending crisis – it has already lasted over seven years – it is no surprise to find strong competition among the narratives aspiring to explain it. However, despite the differences among the various views (see, for example, Datz 2012; Jessop 2012), there are some points of agreement. One of the most prominent is the recognition that the current geographical epicentre of the crisis is located in Southern Europe. This region has seen a massive devaluation of capital, the mass closure of production facilities, a dramatic growth in unemployment, the rapid spread of social precariousness, and a sharp fall in the standard of living. It is here that all the failures and contradictions of the anti-inflationary institutional design of the European Economic and Monetary Union can be observed. Could all of these failures be sustained for much longer without causing an even stronger social upheaval than that which is currently being experienced? Are there social limits that make it impossible to impose, in practice, certain economic adjustment measures? Are there limits that may constrain the abilities of social movements to induce changes to the existing social-economic model? Must these movements be viewed exclusively as forms of social resistance or do they have more creative potential?

These are some of the questions that need to be addressed in order to understand the frenetic course of events that has taken place in Southern Europe in recent years and that is likely to intensify in the immediate future. Greig Charnock, Thomas Purcell and Ramon Ribera-Fumaz’s book, *The Limits to Capital in Spain*, undertakes the task of explaining such complex processes, and it succeeds remarkably. Indeed, the book provides an intrepid and fascinating account, which answers a lot of questions while
giving rise to others. Its rapid narrative pace makes it an exciting read, and it creatively combines insights from political economy, state theory, and urban geography. However, in spite of its strengths the book remains confronted with some difficult challenges. Particularly, in the explanation of the crisis in Southern Europe a large number of elements converge – elements not so easy to classify and understand. Some of them reflect essential contradictions associated with any capitalist economy. Others, however, are highly specific, and are the result of contingent factors and the particular position of the European South in the international division of labour. Addressing what is particular without neglecting what is general is not a simple task.

However, such a demanding challenge has been brilliantly taken on. A lot of effort has been put into explaining the current Southern European situation as a result of a global over-accumulation crisis, that is, a global excess of financial, productive and commodity capital that had to be ‘creatively destroyed’. The crisis is understood as both cause and consequence of a profound degradation in the possibilities of social reproduction of the working classes: on the one hand, the loss of jobs directly affects people’s projects of life; and, on the other, the fall in demand is a major element in the current recession. The intense though varied social response should not be considered as strange. The slogans of some of the social movements – “Youth without a future, without a home, without a job…without fear”; “We are not leaving, they are throwing us out” – express quite eloquently the general perception of the degradation of the standard of living.

In any case, the current crisis is understood, in the work of Charnock and colleagues, to stem from the interplay of numerous factors, many of which are specific to the region. The most evident of these specific factors is the peripheral nature of capitalist development in Southern Europe – agro-food production, tourism and construction are all highly dependent on Northern European demand. However,
manufacturing activities also play a key role in the overall economic performance of Southern European countries, and the book is especially suggestive on import substitution, looking at the production of internal markets and similarities to Latin American cases.

Despite their focus on structural elements such as peripherality and the weaknesses of manufacturing activities or productive specialisation, Charnock et al. tell a story that’s sensitive to everyday life in the crisis; nevertheless, sometimes their narrative underplays agency, as if the import substitution model was always already doomed to fail. Charnock et al stress the role of social movements, considering them basically as forms of protest and resistance against the fall in living conditions; but could the Spanish form of capitalism be substantially transformed by the critical activity of social movements?

One of the book’s major strengths is its effort to problematise the role of Spain inside the European Union. Historically, the majority of the Spanish population has supported the EU because it was perceived as a way of asserting democracy against residual authoritarian currents, and as a guarantee for social rights, which were perceived as inherent in the ‘idea of Europe’. With the crisis, this perception has been increasingly questioned and new narratives have emerged – and this shouldn’t be surprising, Charnock et al. argue. The integration of Spain in the EU was a response to several of the specific needs of capital accumulation processes. Above all, the integration acted as a micro-disciplinary mechanism, which restrained wages to a degree that could not have been achieved by the nation state alone: “From the perspective of this book, we argue that European national states found, in the process of integration and convergence toward a single market and then full monetary union, an anti-inflationary means of confining the demands of their own working classes within the limits of accumulation” (p.60). Factors such as the impossibility of currency devaluation
or monetisation of public deficits must be understood as institutionalised mechanisms for promoting the interests of capital. These mechanisms not only indirectly restrict agents’ behaviour but also limit the state’s movements at the moment when it needs to reassert its legitimacy. Could this widespread loss of legitimacy explain the rapid rise of an already existing independence movement in some territories, particularly in Catalonia? Could independence be an adequate response to the state’s limitations in implementing more people-friendly policies?

Another strength of the book is its explanation of the repeated Spanish housing and real estate bubbles – three in the last 50 years, each one with a progressively longer time duration and higher price impact. Real estate bubbles have their origin in the switching of capital, which originally came from the Spanish internal market, but later increasingly stemmed from international financial markets. The growth of Spanish banks and financial institutions was remarkable, and the increase in private indebtedness dramatic, but “[o]verproduction in the construction sector was endemic: between 2001 and 2011, there was a 24 per cent increase in the housing stock (to more than 26 million homes) relative to just a 5.8 per cent increase in the population (to approximately 47 million inhabitants)” (p.98).

As explained in the book, the monetary rigidity of the Economic and Monetary Union, and the Spanish state’s inability to minimally intervene in controlling the provision of housing, explains why social movements took centre-stage proposing new ways of confronting widespread evictions and challenging the political consensus. After 50 years of a strong culture of house ownership, evictions, in subjective terms, mean a lot more than simply losing a property. They are a kind of civic death, a condemnation to social exclusion, particularly considering the rigidity of the Spanish mortgage laws which force people to continue paying their mortgage despite losing their homes because generally they are in negative equity, as a consequence of the dramatic drop of
real estate prices after 2008. What are the potential effects of the social response towards such evictions considering this social construction of individual subjectivities?

In essence, *The Limits to Capital in Spain* is a fascinating tour around a complex reality. It is a narration close to the main social manifestations of the crisis, that is, of the social movements and their demands. It is also a deep analysis of the causes of the crisis, of the structural reasons and long-term trajectories that explain how we have arrived at the current situation. These factors are essential for understanding the current situation, the meaning of the protest movements, their real capabilities for promoting transformations, and ultimately the possible avenues for change. That change may not only affect the South of Europe but the whole of the EU. For this reason (and for its Latin American connection), this book offers some invaluable lessons about the operation and interactions of the processes of capital accumulation in different parts of the globe.

References


Daniel Coq Huelva

*Departamento de Economia Aplicada II*