

Current economic situation

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Spatial Fix and the Economic Model of Life in the Aftermath of the Current Crisis of School Every crisis in the USA brings along a new social and economic lifestyle. After the Great Depression, the US economy developed its manufacturing industry, creating a rise in suburbs. However, the current crisis favors ideas; creating a rise in highly flexible, diverse and creative labor force, demanding a dominance of a new social class and new spatial fixes or so called geographic centers.

According to Florida (2009), the USA has undergone crucial economic and social transformations with each economic crisis. The technological improvements and the rising manufacturing industry created a need for lower costs of production: cheap land, healthy and mostly sedentary labor. As a result, the USA witnessed a growth in suburbs. Then the 1970's recession destroyed the predominantly industrial cities and created a way for the growth of the knowledge sectors and new geographic centers.

The economy suffered from the inefficiencies arising from the manufacturing era. The West Coast experienced a boom, but many cities focused on cheap yet appreciating housing, turning it into its main industry. Yet, as Florida (2009) outlined in his article, such development was too one - sided so that once the crisis occurred, the housing markets crashed, as did the local economy's major industry.

On the other hand, places such as New York have survived and will remain centers of innovation and progress. The latest developments have favored flexible, innovative and international labor force. Moreover, areas harboring such labor force are also diverse in terms of the skills and services these individuals provide. Such a labor force creates new ideas and easily takes over the economy once one segment of that economy falters. For example, <https://assignbuster.com/current-economic-situation/>

whereas the finance, housing and industrial sector suffered, academics and scientists benefitted from this crisis, and so did the cities harboring them, thus creating new spatial fixes around which new forms of social structures will form.

The social structure will change over the next decade or more. According to Florida (2010), the high paying workers will profit from their creativity just as the workers in the manufacturing areas benefitted after the Great Depression. Moreover, suburbs and their communities will become denser, more diverse and connected, responding to the need for fast communication, production and delivery of ideas. A change in homeownership will arise, where renting will become more widespread, increasing mobility of workers. In short, Harvey (2001) borrowed the term “annihilation of space through time” from Marx to describe the current process of globalization of capital and labor. (pp. 23)

Gottham (2009) argues that securitization is a cause of the disturbed spatial fixity. Securitization created liquidity for the equity markets. Mortgages were resold as securities several times faster than the house itself could ever change hands. Gottham (2009) argues that securitization of markets created liquidity out of spatial fixity. (pp. 357) However, this change has led to a crisis and a new uneven development, from which new classes benefitted and the old lost.

To sum up, the current crisis has arisen from the disturbed spatial fixity and it brings with it new social class and social structures. Denser and more diverse suburbs and centers of ideas will form new subcultures within the USA. Florida (2009) argued that the Great Depression affected the ways in which families distributed resources from within, favoring the ones who

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suffered the most from an economic crisis. Time will show what new forms of family arrangements, laws and social norms will arise out of these changes, especially in the denser suburbs.

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