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Michael Dennis. *The New Economy and the Modern South.* Working in the Americas Series. Gainesville: University Press of Florida, 2009. 272 pp. $75.00 (cloth), ISBN 978-0-8130-3291-7.

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George Allen's Virginia: Globalization and the Southern Economy

Michael Dennis's new book on Virginia's economy during the 1990s accuses the state's conservative leaders of abandoning ordinary workers, giving free rein to cost-cutting corporate managers and providing incentives for "runaway" manufacturers to create low-wage jobs. These businessmen and politicians, according to Dennis, successfully fended off labor unions, supported the North American Free Trade Agreement (NAFTA), and narrowed debate over serious policy issues to a glorification of the free market. George Allen, governor from 1993 to 1997, and his colleagues presided over a state where, according to Dennis, globalization devastated the economy through deindustrialization and the subjugation of the working class.

For a central framework, Dennis chooses Karl Polanyi's attack on capitalism in *The Great Transformation* (1944), which blames the competitive market economy of the nineteenth century for corroding the traditional conventions, standards, and institutions that protected workers. For Polanyi, the central tragedy of the modern era was the disappearance of the medieval systems that had checked the market's power. Borrowing Polanyi's theme, Dennis contends that the focus of studies on the modern southern economy should be on global capitalism's destructive nature. He scoffs at scholars, such as anthropologist James Peacock, who transform "the idiom of 'globalism,' into something benign, cosmopolitan, and therefore normative" (p. 13).[1] In contrast, Dennis forcefully asserts that globalization is not a postmodernist identity issue, but a powerful manifestation of real and harmful economic forces.

Dennis's goal is "to ground globalization in local space, to slow it down in real time and analyze it in the concrete rather than the abstract" (p. ix). Beginning with corporate downsizing and quality management, he blames Virginia's leaders for turning the state into a laboratory for testing "lean" production practices on employees. In socially and politically conservative Virginia where hostility to unions dominated, corporations discovered, Dennis maintains, an ideal location to "re-engineer" their workplaces and enhance their control over employees. The state's leaders recruited new manufacturers by openly touting the state's weak regulatory system and its docile workforce. Under these conditions, Dennis concludes, the midlevel of the working class suffered the most. Positions proliferated in the professional and technical sector as well as among low-wage, low-skilled workers, but those in between lost ground when their positions were "de-skilled," which meant for them, in Dennis's words, "reduced independence, and an intensified work routine under the closer scrutiny of cost-minded managers" (pp. 83-84).

While Dennis finds no clear-cut victories for organized labor during the 1990s, he praises its leaders for challenging "the ideal of corporate competitiveness as the highest social value and the only rational principle of public governance" (p. 95). He uses the grocery store strike led by the United Food and Commercial Workers Union to illustrate labor's energy and commitment. The union planned the campaign, certain that it could extend its reach from the stores of Washington DC to those of southeastern Virginia. Even though it spent $1.5 million, the 1991 vote went against it. It protested the results by boycotting the stores and by filing charges of employee intimidation. Even with its considerable resources, the union lost, and during the 1990s, Virginia remained even less organized than the rest of the South.

During the campaign for the ratification of NAFTA, its supporters, Dennis believes, distorted the issues by portraying the treaty as a force for social progress and material improvement. He points out that while NAFTA's advocates embraced market deregulation, trade barrier removal, and capital mobility, they portrayed their critics as crackpots. Dennis does find some Demo-

cratic politicians in the state's vulnerable manufacturing regions who opposed the measure. Other southern Virginians supported NAFTA because, Dennis charges, the Bill Clinton administration promised to locate a manufacturing research center in their region.

Another of Dennis's targets is "smokestack chasing," the use of tax money as an incentive to lure manufacturing plants to a state. While other southern states successfully attracted the automobile manufacturers BMW, Mercedes, and Saturn, Virginia found itself with industries that used the state as a temporary stopover. Allen made this strategy a centerpiece of his administration and attracted high-profile projects by Motorola, Gateway, Travelocity, and Nexus Communications. Despite the millions poured into recruiting these businesses, they quickly abandoned Virginia. In 1998, Motorola announced it was suspending construction of its facility. In 2001, Gateway closed its Virginia locations and shifted its manufacturing to Asia. The Nexus Communications call center dismissed its workers after three years. Travelocity, the discount travel Web site, took over the Nexus building but three years later it also left Virginia, outsourcing its call center to India.

During the 1990s, Dennis finds that the state's Democratic Party had little to offer workers because its leaders also endorsed the conservative causes of low taxes, law and order, and smaller government. He finds few voices among establishment politicians who defended welfare programs, social security, or workplace regulations. Instead, Republican free market advocates dominated policy discussions. In 1992, Allen extended the reach of conservatives by expanding his party's base to include the evangelical Christian movement. Looking for dissident voices in this conservative era, Dennis identifies the Virginia Organizing Project as the leading critic of free market thinking.

The main objection scholars will have to this book is the historical void in which Dennis analyzes Virginia during the 1990s. Without an examination of the state's political past, this book's readers might assume that this was the first time conservative businessmen dominated southern politics. The record indicates just the opposite. During the 1880s, when Henry Grady and other business leaders called for a "New South" based on industrialization, they held sway over the region's politics. That control continued into the twentieth century, a time when George Tindall's "business progressives" took up such causes as prohibition and the good roads movement.[2] In the classic 1949 study, *Southern Politics in State and Nation* (which Dennis never mentions or cites), V. O. Key characterizes Virginia as a conservative oligarchy with little open debate of issues. He concludes that "by contrast, Mississippi is a hotbed of democracy."[3] Key's work concentrates on the Harry Byrd political machine that ruled the state for forty years after the state's Democratic Party elected him its chair in 1922. This study would have benefited from more attention to the state's political history and to how Byrd shaped the society that elected Allen its governor in 1992.

More comparative material would also be enlightening. The most obvious case for comparison is North Carolina. Many of the same forces that devastated the rural areas of Virginia also affected its southern neighbor. The flight of textiles and furniture to Asia and the decline of the cigarette industry probably brought even more hardship to North Carolina than Virginia. One important difference between the two is state support for higher education. Dennis pays scant attention to Virginia's university and community college systems and does not raise questions about education's role in economic development. He fails to offer any reasons why Virginia lacked a Frank Porter Graham, a William Friday, or a Research Triangle Park.

A study of business and labor begs for charts, graphs, and tables, but Dennis provides us with none of these. The author would have strengthened his case considerably by opening with a description of the state's demographics, voting habits, education levels, income, and employment. He does include statewide data but it is scattered around the book and leaves us with a disjointed picture of the whole of Virginia's economy. Visual representations of these statistics would also have provided an opportunity to present comparative material on regions within the state and on differences with other southern states and with the nation as a whole.

Dennis's work focuses too much on the rhetoric that dominated Virginia's political discourse during the 1990s. In the process, he neglects topics that seem indispensable when studying the state. He describes the 1989 Pittston coal strike as a success, but does not address the subsequent fate of the coal industry or its union. The reader will search in vain for more detail and depth on the decline of the U.S. textile and furniture industries or on the influence of Jerry Falwell and Pat Robertson, leaders of the two national Christian evangelical movements that were headquartered in Virginia. His analysis of the Virginia Organizing Project seems strained and too extensive for a very small organization.

However, *The New Economy and the Modern South* does concentrate historical attention on the underlying

developments in business, labor, and politics during the late twentieth century, a time when some parts of the region's economy collapsed. The abrupt decline in the nation's economy in 2008 makes this topic even more significant. Dennis's study has an appropriate sense of urgency because he identifies the profoundly difficult economic issues facing the South and the nation during the twenty-first century.

Notes

[1]. James Peacock, "The South in a Global World," *Virginia Quarterly Review* 78 (Autumn 2002): 581-599; and James Peacock, "The South and Grounded Globalism," in *The American South in a Global World*, ed. James Peacock, Harry L. Watson, and Carrie R. Matthews (Chapel Hill: University of North Carolina Press, 2005). See also James C. Cobb and William Stueck, eds., *Globalization and the American South* (Athens: University of Georgia Press, 2005).

[2]. George Tindall, "Business Progressivism: Southern Politics during the 1920s," *South Atlantic Review* 62 (Winter 1963): 92-106.

[3]. V. O. Key, *Southern Politics in State and Nation: A New Edition* (Knoxville: University of Tennessee Press, 1977), 20.

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