

Geography and Economy

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Abstract

The author asks for a synthesis and mutual inspiration in the relationship between economics and geography as rational decisions of economic questions presuppose a basic knowledge of the regional geography. Examples of this are: town planning, regional planning and the problems related to the great market fusions.

The present era is one of specialization, one manifestation of which is that we know more and more about less and less. In many instances this is an advantage, because within their own speciality some people can succeed in advancing our general knowledge a hand's breadth; nevertheless, the advantages of such an evolution are limited, because man as a whole slips more into the background. Consequently, from a humanistic point of view a synthesis of a long series of analyses would often be useful. For example, it is a curious fact that much of our present-day progress is achieved within the border zone of two sciences, in that research workers with different qualifications collaborate and thereby introduce something quite new into the total picture.

I believe that we need such a synthesis and mutual inspiration in the relationship between economics and geography. In the science of economics mention is often made of a function of production, a function of demand and so on in general terms without attaching much weight to the fact that a quite ordinary function of this nature actually is highly abstract, and that what is often needed is to obtain greater clarity about the various concrete functions which must form the background of complete economic comprehension.

In economics there has no doubt always been a need for such a concretization, and in my opinion the need will be greater still in the future, when the economic functions will presumably become more complicated. I shall try to illustrate this by means of three

examples which, I think, show clearly that we shall require more interaction in future. One is planning, especially planning of means of communication in large towns, particularly in Copenhagen. Another is regional development and the question of what industries should specially be promoted in a particular region for which planning has been undertaken. The third is programmes for increased industrial activity in more or less well-developed parts of the world where work is often done under varying geographical conditions: in this connection it is natural for us to mention the expected occupational development in Greenland. All these questions are so important that within the scope of a short article one cannot do more than mention them and express the wish that the younger generation of geographers and economists may imbue each other with a greater measure of inspiration.

II.

If economics per se is to contribute towards the work of planning in a large town it will be natural to point out that no single disposition should be regarded as isolated but as part of a wider relation. Economic resources have their limits and it must be realized beforehand that the economic forces employed in one sector cannot simultaneously be employed elsewhere; a choice must be made, and for that choice there must be some political ideas. These ideas are set up by what is done to establish a maximum for the national product. In principle this is not wholly correct, because other things may have to be taken into account, for instance the distribution of the national product between both the present and the future, but also the distribution between the various classes of society. Nevertheless, the argument is useful as a basis for the following:

Let us assume that as a result of a consideration of the financial situation there is only a certain sum available for developing one aspect of a city such as its means of communication. This pecuniary shortage will mean that there is not money enough to carry out everything that would be desired. A choice has to be made among various possibilities and, on the basis of the prepared budget, the authorities will choose the part of the plan that reaches the limit of the national product. In any particular town this will depend upon the geographical conditions. What is economically correct at one place may be wrong in another because the geographical prerequisites are different. In other words, correct economic decisions presuppose comprehensive geographical knowledge of the special

conditions prevailing where the new effort is to be made. If geographical conditions and economic conclusions are not closely coordinated, the results will be unsatisfactory as concerns the object desired. A proper decision concordant with the standard depends upon both special and general knowledge. It may be said that in the development of a city the planners may proceed according to two principles, centralization and decentralization, and it is quite obvious that in the long run the consequences would be unfortunate if one disposition led to centralization (for instance the building of tall blocks in the business quarter) and another to decentralization (whereby a large part of the passenger traffic would be carried by space-wasting private cars). If a large town is to be easy and convenient to live in, each decision must not only be right economogeographically, but it must also be a reasonable link within a wider relation.

Again, the decisions taken must be in accordance with the wishes of the local population. It is useless to evolve a business quarter with tall buildings and narrow streets if a large section of the town's population wish to drive in their own cars to the centre; then parking problems as an indirect consequence would assume very considerable dimensions. The questions of centralization or decentralization of a large town are factors comprised within a very large number of relations, some of which are economic in character, some geographical and others form part of other, separate sciences.

It is probably very difficult to set up general economic laws for town development and for deciding whether a centralizing or a decentralizing development is to be preferred. Every town has its own conditions, its own type of port, branches of industry and administration, which it is desirable should be taken into consideration, and this can only be done if the planners have really detailed information as to the particular town and the present and future wishes of its population; this calls for interaction among specialists, with each one making a contribution to the required synthesis.

But if it will be necessary to arrange interaction as a starting point for the establishment of the main principles, it will also be advisable to base upon an interaction in connection with many of the concrete decisions. It may be fairly simple to visualize the purely direct effects of a single disposition, but as a rule there are also indirect effects that can be elucidated only from a knowledge of the concrete conditions which often are some distance away. If a wholly new residential quarter is to be built, the question arises as to how people who will

live in it can get quickly and conveniently to their work. If by means of streets that are already crowded, this one remote disposition may make it necessary to proceed to costly street-widening elsewhere in the urban community.

To put it briefly, the development of a large town, as regards both main principles and individual concrete decisions, is governed by a wide network of relations; and if the individual disposition does not take cognizance of local and distant effects the functions of the town will not work conveniently and without friction and it may involve the local population in many difficulties. True, the final decisions are in the hands of the politicians; but it is very important that they are prepared by means of a synthetic collaboration between the professional groups, each of which is able to make a contribution to the over-all picture.

III.

Another great problem nowadays in most states, not least in Denmark, is the interaction between town and country. It is held to be unsound for large towns to attract business concerns to them as they do. Whether or not this movement is desirable can only be elucidated by the application of comprehensive knowledge, a knowledge which doubtless to some extent is scattered among many specialists, and by a previous clarification of the various possible ways and means.

A lot of people seem to be interested in regional development within certain parts of the country, the scheme being promoted by establishing a new concern of one kind or another in the area to be developed. In many cases it will be possible to estimate the profits on the basis of the concern's own interests and to calculate whether or not the particular plant can be made to pay, but to my mind this is not always sufficient. In addition to the private profits an account must be drawn up of the cost to the community. What will the particular investment involve in the way of necessary costs to other sections of the community, more especially the authorities? Will it be necessary to build new roads? Will it be necessary to build new public institutions, new hospitals, new schools, etc., and is there no available capacity elsewhere in one or more of these respects? In other words, one might raise the question of what effect it will have on the national product to place a new establishment in one or another place. It is not only the public activities that are involved, for consideration must also be given to the matter of suitable housing, new shops, etc. The picture becomes more and

more complicated the more indirect effects we add to it. And then it must furthermore be remembered that besides the present the future effects must also be considered. Young families moving to a newly developed area may perhaps be childless when they get there, but there is reason to anticipate a large increase in the number of school-age children in the course of ten years or so — and so on.

Most recently there has been a tendency to regard the chief point of interest as not being the economy of the new establishment itself (observable from its budget and accounts) and of the whole country (as shown through the national budget and accounts), but the economy of the particular province or region which it is sought to improve. The condition for this is that the planners work with the economy of the town or the regions as a whole. If this is to be done satisfactorily, there must be accounts and a budget for the area affected, just as in the case of the single establishment and the entire community. This is a very intricate task, not least because there is nothing to show what is taken into and out of the area. For an individual establishment we have this direct from its payments and receipts, and for the whole community we have the public statistics. But for a particular region or town the material for accounting and budgeting is very difficult to get at. No doubt some information is available, and an attempt has in fact been made to devise a system of accounting for a separate region. All this, however, is merely in embryo as yet and presumably the question will not arise for some years to come, when more people realize that casual regional development dispositions lead only to casual results — a state of affairs that can scarcely be permitted to endure. The information to be acquired must be sought in many different places. Some can be had from official statistics, some again from the municipal or local organizations, but it is apt to be relatively incidental. In this connection the probability is that within a few years the geographers and other specialists will be approached for their support in collecting and working up as much information as possible. Here it is not so much a question of analysis as synthesis. Working on such a synthesis will scarcely come all at once, but in my opinion the march of events will make it imperative. Sooner or later political authorities will formulate their wishes, and scarcely any individual specialist possesses such a general knowledge of all the many relations. Attaining to the best synthesis will require a collaboration between various specialists, not least within economics and geography.

IV.

In all probability the sphere in which an interaction between economics and geography is most needed for understanding the economic and other relations is represented by the great general problems within regions composed of areas of a highly varied character, such as those resulting from the great market fusions. To us in Denmark the most outstanding problem, in which the geographical prerequisites are so different that ignoring geography in the economic considerations will lead to wholly unsatisfactory results, arises out of a parallelization between Denmark and Greenland. No satisfactory results is likely if the fact is ignored that the natural conditions are wholly different, the climatic conditions likewise, and that in many respects the peoples set entirely different values upon things (which is not saying that I commit myself to either the one or the other). Economic dispositions which are considered correct in Funen are not immediately applicable to Greenland. This is a sphere in which it is absolutely necessary to consider the geographical conditions when taking decisions of wide economic range.

There are many more domains in which geographical differences must necessarily be included in the economic picture. If a marketing region which has long been narrowly confined to a state like Denmark is expanded so as to include a large number of states, a number of problems of localization will come into the foreground within these particular communities. Within a partially closed economy such as that which has characterized conditions in Denmark, it has not been important from the angle of national economy whether an establishment meeting this or that demand was located at Odense or Aalborg; some costs of transportation must be included in the picture, but they are not highly important. But there will be problems of quite another order if it is to be decided whether the new establishments planned are to be placed for instance in Denmark, Great Britain or Germany; or perhaps even Switzerland or Holland may come into consideration. In that case there will be many effects as regards employment, currency, capital, etc., of which we shall scarcely be able to take so liberal a view as we now do of the particularly Danish localizing problems. The views and interests of the individual establishment may differ radically from those of the public. In a development of this kind there may be many economic advantages and many economic drawbacks. To my mind it will be unsatisfactory if there are no calculations and investigations made beforehand as a synthesis of the individual knowledge of a number of specialists.

I consider it of importance that, before the political decisions are taken, the powers included should become familiar not only with the direct but with the indirect effects and the whole interplay of factors in the forthcoming development. It will be agreed that this is a task that will require a considerable time for completion, and that it is a border zone where team-work will be more valuable than a series of individual efforts by geographers, economists or other specialists.

Strictly speaking, the economic relations which we must have clarified in order to understand the economic problems of today extend beyond the bounds of economics proper. It is easy enough for an economist to say that if the prices of raw materials fall, as they have been doing these last few years, there are likely to be political tensions in countries overseas, especially in Africa. To me, however, a general economic-political view of this sort is not fully satisfactory. It would be of much greater interest to know just where these political tensions will be manifested and how strong they will be. On a purely economic basis there is not much possibility of forming an opinion on such matters; for the ultimate evaluation of such a question we must have a knowledge of the whole mentality of the peoples concerned, and whether they are relatively well off in advance or they are living on the verge of starvation. In order to make an economic evaluation we must have such information from geographical and other specially expert quarters; specialists who have studied the people concerned can make a valuable contribution towards our understanding of the general relations within future developments.

One might go a step further and raise the question of whether the economic laws devised by the economic theorists on the basis of an empirical material originating chiefly in Europe and North America, can simply be applied to the other continents where people are often apt to react differently. At the moment we can have no opinion on how this question is to be answered; but perhaps it would be useful if specialists in other subject-groups were asked to join in a collaboration for arriving at an understanding of the wider relations.

V.

To summarize, in my opinion there is quite a number of problems lying within the border zone between economics and geography and often several other sciences, in which the individual specialist is relatively uncertain and often is inclined to close his eyes to the questions because they are beyond his own particular province.

Doing so has indeed been possible to a considerable extent hitherto, because the questions were of little current interest and there were problems enough of other kinds to tackle. I believe that this will be more and more difficult in the future, for the reason that in all probability these border problems between the various sciences will gradually become more pressing, so that sooner or later they will have to be taken up with more determination.

The easiest and most direct course to follow will doubtless be for each of the various groups of specialists to endeavour to learn from other specialists' domains and apply this new knowledge to their own work, whereby the uncultivated regions between the groups will become smaller. No-one can prevent an economist or a geographer from trying to expand his knowledge to other spheres; but I imagine that each subject is already so large that only very few can cover such a wide span and thereby fill the entire border zone.

In addition to this actually simple procedure, would it not also be profitable to try another by establishing a team-work, with each member contributing from his own line to an intimate co-operation of this kind? I doubt if this suggestion is one that can be carried out quickly, but I wonder if there are not some, especially among the younger workers, who will recognize that this is a fertile line and will therefore take it up and successively build a collaboration capable of achieving valuable results in the course of time.
