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Tuna Taşan-Kok
Guy Baeten
Editors

Contradictions of Neoliberal Planning

Cities, Policies, and Politics

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Contradictions of Neoliberal Planning

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Kop van Zuid (Rotterdam): A product of Neoliberal planning

Preface

The idea for this book on the contradictions of neoliberal planning first came about in April 2008 while the editors were relaxing on a sunny terrace on Massachusetts Avenue in Boston at the culmination of a long and successful Association of American Geographers (AAG) session that they had organised. The credit crunch had not yet become a major topic of discussion, although the first signs of the looming crisis had been brought up during the session. Later, while sitting on the lawn of the beautiful, sunny garden of the AAG venue in Washington DC and discussing the final arrangements for this book in April 2010, the devastating consequences of the credit crunch had become clearly visible and were the subject of various conference sessions, meaning that while writing and editing this book we were experiencing first hand just how the contradictions of neoliberalism could affect our cities and lives.

The financial crisis and its impact on cities and urban planning may not feature prominently in this book, but we nevertheless hope to open up unexplored conceptual grounds by explicitly bringing together ‘neoliberalism’ and ‘planning’ to fill a major gap in planning theory. Our primary focus is to underline the contradictions created by the forces of neoliberal policies in planning theory and practice. How does planning in well-established welfare societies deal with neoliberalisation processes? To what extent does that eat into the provision of welfare? What is the stake of the state in planning in a neoliberalising world? To what extent and in what ways do transnational organisations take over in local planning processes? What alternatives do social movements provide for the ‘self-help’ society? How does privatisation affect our everyday lives, and what environmental risks does it generate? In what ways do property-led planning practices clash with public interest? How and why has neoliberalism diffused across the globe, as if there were no alternative? Bringing together a wide variety of case studies, the book aims to provide (partial) answers to these questions, with a focus on the contradictions stemming from the neoliberalisation of urban development. It is hoped that this will be a first step in laying bare the realities of ‘neoliberal planning’.

As Friedrich Hayek once remarked, the world will be changed by second-hand dealers in ideas. We dedicate this book to the new, open-minded generation of planners, who will hopefully provide us with alternatives; and we look forward to future AAG sessions now that they have moved beyond the (crucial) phase of mere critique

and can now focus on dreaming up new, powerful planning frameworks that will contribute to more justice in the city.

Our thanks go in the first place to the authors of this book for their valuable contributions and patience throughout the lengthy publishing process; and we also offer our gratitude to Evelien Bakker and Bernadette Deelen-Mans, both at Springer, for their continued support and patience in this project; to Prof. Dr. Ayda Eraydın and Prof. Dr. İlhan Tekeli, and Prof. Dr. Sezai Göksu for their kind help and suggestions; and to Nancy van Weesep, Colin Sutcliffe, and Çiğdem Özönat and Deniz Altay for their editorial support. We would also like to thank The Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning, and OTB Research Institute for the Built Environment (TUDelft) for co-financing this book, and to the participants at our 2008 AAG session in Boston for inspiring and motivating us to publish it.

Ankara, Turkey
Malmö, Sweden
April 2011

Tuna Taşan-Kok
Guy Baeten

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Chapter 1

Introduction: Contradictions of Neoliberal Urban Planning

Tuna Taşan-Kok

1.1 Introduction

Neoliberalisation manifests itself as a ‘prevailing pattern of market-oriented, market-disciplinary regulatory restructuring’ (Peck, Theodore, & Brenner, 2009, p. 51). The neoliberalisation of social, economic and political processes pervades urban development, planning and governance discourses and practices, and pushes them in a market-oriented direction; however the terms ‘neoliberalisation’ and ‘planning’ are seldom heard together in the same phrase. The concept of neoliberal planning may actually seem to be a contradiction in terms to some planners; while to others it may be a signal to ‘give up’. The neoliberal city actually exists, as does neoliberal urban planning; but as urban planning becomes increasingly neoliberal and entrepreneurial, serious contradictions arise in the governance of cities. The fragmented and divergent array of planning responses to the neoliberalisation of political-economic urban policies is treated in this book as a manifestation of the neoliberalisation of planning. In this respect, a neoliberal approach does not necessarily mean catering to the needs and demands of private market actors, but rather underlines the challenges to planning in neoliberalising cities, which need to respond to contradictory processes. Neoliberal planning can best be understood as the embodiment of a set of contradictory urbanities that typify contemporary urban neoliberalism across the Western world (Baeten, Chapter 2, this volume).

The most interesting of these contradictions is in the neoliberal urban development system, which is based on market-oriented dynamics and can only function if land-use decisions are regulated by planning institutions. In other words planning is a prerequisite for neoliberal urban development. In the absence of control, property owners and landlords are at liberty to act as they please in the way they develop their property, and this will have a direct influence on the value of other land and

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properties. Thus, land-use planning specifically, and planning institutions in general, are needed to regulate the land and property market.

Why then, has there been a transformation from traditionally interventionist land-use planning dynamics towards neoliberal planning dynamics that require more flexible intervention mechanisms? As a result of globalisation and the increasing mobility of capital, large-scale capital investments were mobilised into the cities, especially in the form of large-scale property-development projects. Such investment opportunities became a target for capital investors, who replaced small-scale individual property owners. Looking from the land-use planning point of view, controlling and regulating the intervention of large capital investments in the city is a lot easier than controlling small-scale investments across the city. The city is now divided among major capital holders who are willing to pay the high cost of land development (and redevelopment) and small-scale property investors who invest in the rest of the land market. This division in the urban land and property market allows both small- and large-scale capital investors to exist in the city without interfering in each other's activities. Obviously, when compared to a rigid and regulatory land-use planning process, a more flexible and negotiable strategic planning process will do more to encourage such land and property market dynamics, and it is this trend to which the neoliberalisation of planning refers.

Some two decades ago, amid growing concern about the decreasing effectiveness of welfarist policies, Albrechts (1991, p. 126) invited planners to take a new approach, calling for a paradigm shift 'from planning for capital' to 'planning for society'. He advised the planner not to become an entrepreneur and avoid attempts to steer economic forces, but so far that shift has not taken place. The blame lies not with the planners, but with the system in which they necessarily serve as agents of neoliberal urbanism. While planners keep rejecting the idea that neoliberalisation is occurring in urban spatial development and policy processes, neoliberalisation is slowly finding its way into every subfield of planning. Moreover, this 'prevailing pattern,' including its embodied contradictions, is settling into everyday practice. Marketisation initiatives have caused uneven economic stagnation, thereby intensifying inequality, interlocal competition, coordination problems, and social insecurity (Peck et al., 2009, p. 51). While participation and bottom-up approaches are encouraged and regulated in contemporary urban societies, their effectiveness is limited by public decision-makers whose principles may be a result of pressure from market forces. In this book we will show how urban planning and its agents are neoliberalising; and against that backdrop, we will trace the contours of the normalisation of neoliberalisation, underlining how it creates contradictions in the city and among its inhabitants. The question we seek to answer is: 'What contradictions are created by neoliberalisation initiatives for urban planning, and to what extent are planning institutions and organisations ready to cope with these contradictions?'

Instruments of neoliberalism have been adopted within different policy contexts in different periods, and naturally they have different meanings and outcomes in different institutional contexts. What these neoliberal agendas, strategies and policies have in common is that they all create contradictions between the principles and practices of planning for urban development. While planning literature is replete

with critiques of neoliberal urban development, it ignores the consequences for the planning profession itself, meaning that there are some probing questions that await clarification. How are new power relations being established between key actors in planning and in the property industry? What new instruments (in the land and property market, the law, urban design, the economy) are being forged to avoid the contradictions of neoliberal urban governance? And which new actors are emerging?

Neoliberalisation and market-friendly policies have been affecting the way cities develop and function since the late 1970s. The twin processes of deterritorialisation and reterritorialisation of capital are played out at various scales: in the neighbourhood, city and metropolitan region. Public-sector responsibilities are decentralised or privatised, economic sectors are deregulated and welfare services are replaced by workfarist social policies that favour innovative and competitive economic development (Jessop, 1993; Leitner, Sheppard, Sziarto, & Maringanyi, 2007). While the state is being hollowed out, 'a dramatic intensification of coercive and disciplinary forms of state interventions' (Peck et al., 2009) is occurring to cope with the effects of these marketisation initiatives and their consequences. In response, the wealthiest nations had to bail out their financial institutions as they teetered on the brink of bankruptcy during the credit crunch of 2008–2009, yet individuals and homeowners were able to take no benefit from state intervention.

Over the past two decades or so, urban development has become a common activity of a diverse group of stakeholders: public agencies, semi-independent public organisations, private companies and public-private partnerships, who have shared the responsibilities and risks of pursuing decentralised goals through individualism and entrepreneurialism. The stakeholders of neoliberal urban and regional governance (policy-makers, planners, mayors, decision-makers, municipal commission members, NGOs, civil society organisations, neighbourhood committees, urban residents, etc.) all take part in planning, either directly or indirectly, but are increasingly dependent on the neoliberal debt-oriented economy as individuals or organisations that are being held responsible for their own actions. This complex system has accelerated the trends of entrepreneurialism, consumerism and property-led development, and thereby, actors in the urban land and property market have been elevated to the position of key players in urban development. As the expanding role of governance engenders more participatory practices and a further democratisation of urban society, some public responsibilities are decentralised to semi-dependent public bodies, while others are transferred to private organisations or public-private enterprises. Table 1.1 summarises the role and scope of planning under different political-economic regimes, indicating which contradictions and challenges the planning profession faced in each period.

During the 1950s, comprehensive land-use planning became the most prominent approach to planning. Few of the adopted plans had much legal effect, however, policy-makers tended to ignore them (Altshuler, 1966). In the 1960s, many planners believed in a future in which social problems could be controlled and humanity liberated from the constraints of scarcity and hunger; while critics of this vision argued that planners were more concerned with formal planning procedures than with their

Table 1.1 Scope and role of urban planning by political-economic regime (1960s–1990s)

Regime	Regulation regime	Dominant political-economic ideology	Dominant organisational characteristics	Main motivations of urban development	Scope of planning	Role of planners	Contradictions and challenges
<i>1960s and early 1970s</i>	Keynesianism	High-Fordism (Brenner, 2004)	<ul style="list-style-type: none"> – Centralisation and bureaucratisation (Brenner, 2006) in nation-state – Managerial modes of governance 	Managerialism	<ul style="list-style-type: none"> – Central/national spatial planning systems – Prescriptive and definitive to shape the future of urban land uses (Taşan-Kok, 2008) – Controlling social problems but more concerned about how to plan than about the outcome (Albrechts, 1991) – The urban question as a management problem (Albrechts, 1991) – How to minimise socially negative consequences of urban development (Albrechts, 1991) 	<ul style="list-style-type: none"> – Problem-solver and controller (an imaginary superhero with magic powers) 	<ul style="list-style-type: none"> – Lack of actual power to control development – Lack of social-economic control instruments – Design-oriented descriptive planning with short-term visions

Table 1.1 (continued)

Regime	Regulation regime	Dominant political-economic ideology	Dominant organisational characteristics	Main motivations of urban development	Scope of planning	Role of planners	Contradictions and challenges
<i>Late 1970s and 1980s</i>	Transition to post-Keynesianism	Beginning of post-Fordism and emerging neoliberalisation	<ul style="list-style-type: none"> Rescaling of state space (Brenner, 2004) Urban and regional restructuring 	<ul style="list-style-type: none"> Intensification of interlocality and competition and sociospatial polarisation (Brenner, 2004) Deindustrialisation Shift from managerialism to entrepreneurialism 	<ul style="list-style-type: none"> Loosening rigid rules to help functioning of the free market Flexible, mid-range planning replaced long-range, end-state planning Focus of planning practices shifted to projects and land-use regulations (Taşan-Kok, 2008) How to maximise opportunities given the declining availability of resources (Albrechts, 1991) 	<ul style="list-style-type: none"> Provider of specific skills, being armed with an adequate toolkit to steer developments in a 'desired' direction (Albrechts, 1991) Later, managers of the city in deepening crisis and concurrent decline (Albrechts, 1991) 	<ul style="list-style-type: none"> On the one hand perceiving the city as a socio-economic fabric; while on the other, having limited instrumental power Lacking institutional basis to cope with the demand for new land uses and new urban projects (large commercial complexes)
<i>1990s and 2000s</i>	Post-Keynesianism	Post-Fordism and high-neoliberalisation	Entrepreneurial modes of governance	<ul style="list-style-type: none"> Entrepreneurialism Competition Consumerism Profit maximisation Globalisation (Swyngedouw, 1997) 	<ul style="list-style-type: none"> Normalising neoliberalisation of planning Increasing opportunity-led approach to planning, leaving the idea of comprehensive planning behind 	<ul style="list-style-type: none"> Contradicting roles of planners: Struggling between social-equity ideology and reality of capitalist urban development 	<ul style="list-style-type: none"> Uncoordinated and even chaotic actions of fragmented public policy agents, PPPs (public private partnership), quasi-public organisations etc. due to the lack of centralised comprehensive planning and decision-making power

Table 1.1 (continued)

Regime	Regulation regime	Dominant political-economic ideology	Dominant organisational characteristics	Main motivations of urban development	Scope of planning	Role of planners	Contradictions and challenges
				<ul style="list-style-type: none"> – Piecemeal large-scale project-led development (Swyngedouw, Moulaert, & Rodriguez, 2002) 	<ul style="list-style-type: none"> – Neoliberalisation of planning organisations (decentralisation and fragmentation of planning powers) 	<ul style="list-style-type: none"> – Agent to increase competitiveness of urban land and property 	<ul style="list-style-type: none"> – Decreasing social sustainability and cohesion despite increasing awareness of social concerns even in traditionally welfarist systems – Neoliberal urban development initiatives in traditionally welfarist social-democratic systems – Redistribution of benefits and welfare via deregulation of property and land markets – Fragmented social movements without a collective mobilisation of power – Interference of supranational powers in actually existing governance practices – Limitations of allowing market-based organisations to deal with public responsibilities

Source: Based mainly on Albrechts (1991).

outcome (Albrechts, 1991). From the late 1970s onwards, greater flexibility and the loosening of rigid rules became a common thread in planning discourse (Healey & Williams, 1993). In the 1980s the Anglo-American experience suggested that plans should be continually revised to take into account new information and events. As a consequence, flexible, short- or middle-range planning gradually came to replace long-range, end-state planning (Taşan-Kok, 2008), and the focus of planning practices shifted to projects (Albrechts, 2004; Healey & Williams, 1993; Motte, 1994) and land-use regulations. Since the beginning of the 1990s planning scholars have increasingly supported strategic spatial planning as a solution to the growing complexity and increasing concern about rapid, random and fragmented development in many West European countries (Albrechts, 2004; Healey, 2004), where this method was considered more realistic and effective. Traditional planning practices and processes had become ineffective and were too passive to deal with property-led urban development (Fainstein, 1994). Entering the 2000s, the planning profession lacked clear boundaries and a recognisable identity (Myers & Banerjee, 2005). In the practitioners' eyes, the field was porous and vaguely defined, and the increased flexibility in planning was related to this openness (Taşan-Kok, 2008). Besides being more flexible, the role and scope of the planner became more ambiguous during this predominantly neoliberal era, when a blurring of the boundaries became evident not only in the field, but also in planning literature. This change was precipitated by a few developments which are elaborated below:

- Varieties of capitalism, fragmented spread of neoliberal economic policies, and diverse reactions of planning institutions due to 'contextual embeddedness and path-dependency of neoliberal restructuring projects' (Peck et al., 2009);
- Ambivalent position of planning institution due to the blurred boundaries between public sector and private markets (Alexander, 2008);
- Increasing opportunity-led approach of planning institutions.

1.1.1 Varieties of Capitalism, Path-Dependency, and Diverse Reactions of Planning Institutions

Birch and Mykhnenko (2009), among others (Brenner & Theodore, 2002; Larner, 2003; Peck, 2001), do not consider neoliberalism as a hegemonic system of capitalism, but prefer to think of it as a process – neoliberalisation. In combination with the particularities of diverse capitalisms, neoliberalisation creates diverse hybrid regional economies (Hall & Soskice, 2001). Birch and Mykhnenko (2009) identify varieties of neoliberalism across Europe based on regional restructuring and economic growth trajectories. Peck et al. (2009) point out the contextual embeddedness and path-dependency of neoliberal restructuring projects in 'actually existing neoliberalism'. They argue that neoliberal restructurings have never been imposed in a pure form, 'for they are always introduced within politico-institutional contexts that have been moulded significantly by inherited regulatory arrangements,

institutionalised practices and political compromises' (p. 54). This path-dependency leads to the fragmented implementation of neoliberal policies, as Harvey (2005, p. 87) clearly underlines:

...most states that have taken the neoliberal turn have done so only partially – the introduction of great flexibility into labour markets here, a deregulation of financial operations and embrace of monetarism there, a move towards privatisation of state-owned sectors somewhere else.

The prevailing political-economic regimes, cultures, traditions, and habits of governance – in short, the societal factors prior to neoliberalism – played an important role in the divergent reactions of states to neoliberalisation. Neoliberal policy agendas have also been transformed through intensive and conflicting interactions with inherited institutional landscapes and power configurations (Peck et al., 2009). As this transformation is ongoing, we cannot speak of a completed ideology of neoliberalism, but instead must regard neoliberalisation as an open-ended process with path-dependent strategies to adjust and reconstruct in response to 'endogenous disruptions, dysfunctions and crisis tendencies' (Peck et al., 2009, p. 55).

It should be stressed that the role of the state in providing neoliberal conditions – in other words, its interpretation and implementation of neoliberalisation – has been the defining factor in neoliberal institutional restructuring. Neoliberalisation practices at the level of the state have repercussions on the institutional and organisational restructuring of planning, and for this reason it is worth considering the various positions of the neoliberal state here. As varieties of the neoliberalisation experience, as demonstrated later, these positions reflect the neoliberalisation of the planning institutions as well.

In the post-communist countries of Central Eastern Europe (CEE) the neoliberal transition was heavily affected by the conditions prior to the reform. As summed up by Harvey (2005, p. 71), CEE faced a rapid transition with a shock therapy approach, creating enormous stresses. Scandinavian countries, the Netherlands, Belgium and the UK took welfare services like healthcare, education and housing off the market. However, during the anti-welfarist wave of the 1980s these traditionally social democratic states, one after another, embarked along a neoliberal path, though in different ways, and each at their own pace (Harvey, 2005). The US and UK have become neoliberal fortresses, with the UK taking a relatively soft third way approach, seeking to balance the Keynesian state interventionist and neoliberal/free-market policy stances. This third way appeared on the scene as a radical reform package, promising to modernise institutions and foster social justice and community, while also showing concern for the market. The UK was not the only country to weather such reforms by navigating between social democracy and neoliberalism, with Australia and Canada being immediate converts to the approach. Many of Europe's former welfare states have been going through similar changes, and like the UK, have come up with ambitious political reform packages, however they have differed in their approach by proposing only small steps to usher them in.

At the same time, new economic blocks began to arise in the emerging economies of Asia, most prominently in Singapore, China, Malaysia, Thailand and South

Korea where the competitive advantage was enhanced by taking a neoliberal course, regardless of the political regime. Each for its own reasons relied on the public sector and state planning in close association with domestic and corporate capital to promote capital accumulation (Harvey, 2005). Unlike the traditional welfare states, which moved rapidly away from the state provision of welfare functions, these countries perceived state investment in education as a prerequisite for increasing competitiveness and provided neoliberal conditions for the private sector. Meanwhile, developmental states were able to enhance their positions in international competition by creating new structures for intervention. In other parts of the developing world, different path-dependent forces played a role in neoliberalisation, which was the case in post-apartheid South Africa, where neoliberalism was quickly embraced (Harvey, 2005).

While the transition might have gone more smoothly, the instruments of the third way policy were effectively established in many countries as planning institutions began developing new instruments. Besides retaining a degree of social democracy, these institutions allowed urban development to move in a neoliberal direction. Overall, the neoliberalisation of planning has been relatively slow, though in some newly emerging markets, as is the case in CEE, the transformation has been rapid.

For two decades now, CEE countries have been trying to find a new balance for their urban governance and planning systems in the post-socialist era, which has spanned several periods of institutional restructuring. For many countries in this group the first step was to decentralise the state institutions and thereby reduce central control. Financial resources, as well as planning and policy-making authority, were strongly decentralised, reducing metropolitan planning to a broad strategic document. On that basis, independent bodies (small local government units like district municipalities) could take whatever decision they wanted without deferring to central control. Being financially self-supporting, many of these municipalities were forced to sell off land and property and then adopt property-led planning approaches to attract investors, but since around 2000, the municipalities have somehow been able to recentralise their decision-making powers. With similar motivation, another centrally controlled economy, Turkey, embarked upon a gradual transformation entailing the neoliberalisation of planning institutions (Taşan-Kok, 2004). In the developing Asian countries, as they opened up to the global economy and joined global networks, the transformation of planning institutions has been fast but centrally controlled.

1.1.2 Ambivalent Position of Planning Institutions

Alexander (2008, p. 121) brings another dimension into the definition of planning between the state and the market, arguing that the boundaries between the public sector and private market are becoming blurred due to the increasing decentralisation, privatisation and fragmentation of public responsibilities as well as to new hybrid forms of private market activities (Alexander, 2008). He asserts (p. 128) that 'planning is associated with organisation and is therefore ubiquitous'. Thus, not only

is public planning juxtaposed to ‘the perfect market,’ but there is planning for markets, in markets and of markets (p. 128). Although Alexander’s approach to planning may sound market-friendly, it mobilises the tools of systematic institutional analysis and design. Supposedly, these tools would help abolish, downsize, privatise or out-source specific public programmes, projects or services, following an approach that concentrates on the instrumental role of planning in managing, designing and regulating urban development. In fact, its aim is to redefine planning as an instrument to turn the market into an advantage for the urban community.

Planning practice is currently negotiating a course between two counter currents. On the one hand, the planning community is highly critical of the incursions by market forces into previously public terrain, particularly in urban development (by privatisation and outsourcing, property-led development, private-sector privileges in inner-city regeneration); while on the other hand planners have to work within this system, since public employees rarely have the means to prevent the negative impacts of neoliberalisation on cities and communities. This ambivalent position can only change through a major ideological and scholarly restructuring of planning theory and practice. Recent literature has reported some attempts to redefine the position of planning from an instrumental angle. Van den Broeck (2008) asserts that policy instruments can only be understood in relation to social, political and cultural changes and sets forth some assumptions about the planning tools that may help clarify the ambiguous position of planning and planners. According to Van den Broeck (2008, p. 265), planning tools can:

- *change society*, as they will lead to the *creation of new social, political, and power relations*;
- *embody and reflect societal struggles*;
- *be employed in different ways according to existing power relations and ideologies*;
- *have their own political characteristics*; and
- *evolve with the continuing creation, transformation and disappearance of tools*, a process that is embedded in societal evolution and is both path-dependent and path-creative.

Together, these assumptions imply that forging new tools may not necessarily change the neoliberal path-dependency of planning, but rather could help clarify the role of planning by re-defining its influence on social, political and power relations.

1.1.3 Increasing Opportunity-Led Approach of Planning Institutions

It is no coincidence that around the world urban development takes place in a fragmented and piecemeal manner. Opportunity-led planning practices have taken

root everywhere in reaction to rapid and complex change. Webster (2002) claims that the property market produces ‘clubs’ of actors, similar to the social forms of governance behind the dynamics of cities. These relations engender a new form of governmentality in which a particular rationality of governing is combined with new technologies, instruments and tactics for collective rule-setting (Foucault, 1982; Swyngedouw, 2005). In this loosely defined structure, different modes of governance became more interdependent as a result of the networks of which they were a part, and more interactions between various actors occurred at different levels (Le Gales, 2001, p. 168). This interplay created contradictions at different levels of decision-making in urban governance, making contemporary practice in the planning profession even more complex.

Since the early 1990s scholars have increasingly supported strategic spatial planning as a solution to the complexity and in response to the growing concern for rapid, random and fragmented development in many West European countries (Albrechts, 2004; Healey, 2004). This alternative is seen as a more realistic method as traditional planning practices and processes have become ineffective and are too passive to deal with property-led urban development (Fainstein, 1994).

By the 2000s, the major problem of the planning profession seemed to be its lack of clear boundaries and identity (Myers & Banerjee, 2005). In the practitioners’ eyes, the field is too open, porous and vaguely defined (Taşan-Kok, 2008); while in the scholars’ eyes, planning has failed to meet the challenges posed by the emerging neoliberal status-quo (Alexander, 2008). Consequently, we argue not only that planning is still struggling to find its place in neoliberalising cities, but also that a variety of contradictions are created by this unclear position.

Within the practice of neoliberal urban development it would appear that planning is being downgraded, relegated to the task of adjusting plans to meet the demands of various actors. This is in direct opposition to the implementing of a previously established comprehensive planning strategy to oversee development. The transformation of a planning system may have various implications in urban areas depending on the national planning tradition. In this respect, the planning experience of any given city will lie somewhere between being innovative and adopting changes quickly at one extreme; and being conventional and adopting changes slowly at the other. Thus, planning in the era of neoliberalisation is a mere corrective mechanism, an attempt to introduce changes without formulating an overall policy to regulate new development.

1.2 Contradictions of Neoliberalisation for Urban Planning

The contradictions of neoliberalism and the neoliberal state have been discussed explicitly in previous literature, however their implications for urban planning have been largely ignored. The ambivalent position of planning, as set forth above, has

created contingent path-dependencies and specific contradictions in the functioning of planning institutions. In this regard, it may be enlightening to consider the analytical framework advanced by Peck et al. (2009, p. 55), which applies the Schumpeterian notion of the creative destruction of cities. When analysing the destructive and creative moments of institutional restructuring there are two assumptions that should be kept in mind. First, the conceptualisation of destructive and creative moments helps to simplify the highly contradictory trajectories of institutional change; and secondly, these moments are interconnected. In this light, the neoliberalisation of planning may be seen as a process of creative destruction that results in a cluttered and contested institutional environment where newly created and highly unstable spatial dynamics contradict inherited regulatory arrangements (Peck et al., 2009, p. 57). In short, the dynamics of property-led urban development prevail in a city where a comprehensive planning system has been well established; but the destructive moment arises when a new large-scale commercial property appears at a crucial spot in the centre of a traditionally social-democratic city where some other service functions were foreseen in the zoning plans. The local government allows a change in the zoning plan, convinced that a large commercial facility in the centre would enhance the city's competitive advantage. The expected outcome of the land transaction includes a new image for the city, besides rent (and tax) revenue for the local government. Thus, despite opposition from surrounding neighbourhoods seeking to avert high-density development and gentrification, the local government revises the zoning plan. Allowing this new type of large-scale mixed-use project requires not only altering the zoning plans, but also reversing the chain of command. Though contested, a new space of neoliberalisation is thereby created on the basis of property-led dynamics. This is just one of many examples to be gleaned from the institutional responses to the demands of neoliberal actors. That said, creative destruction does not happen systematically, nor does it conform to a standard model due to the path-dependencies mentioned earlier. The contradictions created in each planning system are path-dependent and unique due to the contradictory trajectories of institutional change. Figure 1.1 depicts this relationship schematically.

Harvey (2005) explored the shadowy areas and conflicts within the general theory of neoliberalism and came up with a number of general contradictions. Peck et al. (2009, p. 51) have pointed out some serious disjunctures between the neoliberal ideology and its everyday political operations. Combining these analyses, we can group the divergent incongruities into five contradictions that are inherent in the neoliberal state: (1) Those related to the redistribution of state power and responsibilities; (2) Those related to the new roles of and relations between the state and private sector; (3) Those created by increasing entrepreneurialism, individualism and competition; (4) Those due to market freedom versus individual freedom and collective democracy; and (5) Those in the collective identity and democratic governance. Table 1.2 summarises the specific contradictions of the neoliberal state, as analysed by Harvey (2005), and Peck et al. (2009).

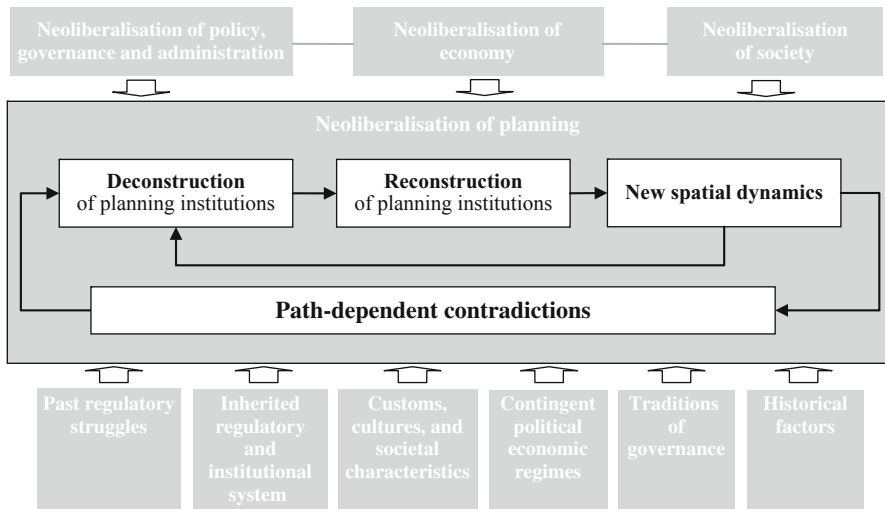


Fig. 1.1 Path-dependent contradictions of neoliberal planning

Table 1.2 Specific contradictions of the neoliberal state

Contradictions of neoliberal state	Specific contradictions
1. Redistribution of state power and responsibilities	<ul style="list-style-type: none"> – Power relations grow asymmetrically between individuals and corporations; – State withdraws from welfare provision, and social security becomes a personal responsibility; – Neoliberalism does not make the state or its institutions irrelevant; instead, state institutions and practices are reconfigured.
2. New roles of and relations between the state and private sector	<ul style="list-style-type: none"> – The boundary between state and corporate power becomes permeable; – Neoliberalising state relies on PPPs (public private partnership) for the provision of key welfare services, while the partner private sector firms diminish transaction costs by minimising costs attributed to their externalised liabilities; – In collaborating with state organisations, private sector businesses and corporations also acquire a strong role in the writing of legislation, determination of public policies and setting of regulatory frameworks; – The state takes up most of the risk, while the private sector takes most of the profit.
3. Increasing entrepreneurialism, individualism and competition	<ul style="list-style-type: none"> – Competition is expected to be the driver of the economy, although a few centralised multi-national corporations that share oligopolistic and transnational power create an unfair basis for it; – Technological change relies on competition to drive the search for new products, production methods and entrepreneurial organisations; but technological innovations also create new products and ways of doing things that yet have no market;

Table 1.2 (continued)

Contradictions of neoliberal state	Specific contradictions
4. Market freedom versus individual freedom and collective democracy	<ul style="list-style-type: none"> – Competition triggers technological dynamism, but also increased individualism, chronic instability and the dissolution of social solidarities; – Increasing entrepreneurialism brings about the treatment of labour and environment as commodities that will turn against the individual or environment in the event of conflict; – International free trade requires global rules of the game and calls for global governance (WTO), which affects the local modes of governance. – Neoliberalism promotes free markets, unfettered by state interference, yet strongly encourages state intervention for the sake of market rule and managing the contradictions of marketisation (Peck et al., 2009, p. 51); – Neoliberal ideology implies that self-regulating markets allocate investments and resources in the best possible way, while neoliberal politics engender persistent market failures, different forms of social polarisation, uneven spatial development and encroach upon established modes of governance (Peck et al., 2009, p. 51); – The more neoliberalism generates authoritarianism in market enforcement, the harder it is to maintain its legitimacy with respect to individual freedoms; – The neoliberal state is expected to step out and set the stage for market functions, while it is also supposed to create a good business climate and behave as a competitive entity; – The state has to work as a collective corporation, which makes it difficult to guarantee public loyalty; – Nationalism is required for the state to function effectively as a corporate and competitive identity in the world market, but it also gets in the way of market freedoms; – While the neoliberal state ensures a global corporate identity by taking part in global corporate networks, its national identity gets in the way of market freedoms.
5. Collective identity and democratic governance	<ul style="list-style-type: none"> – Contradictions are generated in politics when the goals of possessive individualism clash with the desire for a meaningful collective; – Individuals are free to choose, though rather than building collective institutions (like trade unions), are supposed to build weak voluntary associations (like charitable organisations); – Putting limits on democratic governance and on undemocratic and unaccountable institutions (like the IMF) creates a paradox: intense state intervention and government by elites and experts, even though the state is not supposed to be interventionist; – Faced with social movements that seek collective intervention, the neoliberal state is forced to intervene, denying the very freedoms it is supposed to uphold; – The neoliberal state is hostile to all forms of social solidarity that put restraints on capital accumulation, leading to lower wages, increased job insecurity, and loss of benefits and job protection.

Source: Based on (Harvey, 2005), unless otherwise indicated.

1.3 About This Book

Our aim as the editors of this book has been to bring together a number of international case studies that represent diverse path-dependencies in the neoliberalisation of planning in the respective countries, and to highlight the contradictions they have created. Within the analytical framework described above, Table 1.3 simplifies the path-dependent contradictions of neoliberalisation (based on Harvey's categorisation) in urban development and planning; and the cases explored in each chapter are classified accordingly.

What the case studies explored in these chapters – from Africa, Asia, North America and Europe – have in common is that they all reveal the uneasy coexistence of 'planning' and 'neoliberalism,' and explore the diverse contradictions created as a result of this coexistence. First of all, the transfer of responsibilities to the general public or private companies creates contradicting processes. The general public are expected to become entrepreneurial and responsible, creating their own chances which on the one hand (as van Dyck displays in Chapter 7) create opportunities for democratic/bottom-up participation, but on the other result in exclusive processes (as Raco in Chapter 3, and Smith and Coombes in Chapter 8 show). This aspirational political approach sees citizens as entrepreneurs or consumers, and Raco shows that this kind of policy framework requires individuals to contribute to the competitiveness of the places, and is aimed at upgrading places, as derelict areas diminish the aspirations of the public. He argues in Chapter 3 that neoliberal policy defines a citizen profile on the basis of aspirational citizenship (competitive, entrepreneurial, highly educated, commercialised etc.), where citizens with low aspirations should take people with high aspirations as a model in attempts to become successful and competitive. In this respect, aspirational policies in the UK promoted the idea of social sustainability, while also facilitating increased social polarisation. Moreover, as Smith and Coombes argue, responsabilisation reframes individuals as agents of their own destinies, although van Dyck shows that in Canada this type of responsabilisation may also increase chances of participation and social economic progress (even though the practice of social entrepreneurship is limited). Private companies are expected to take over the tasks that cause fragmentation (or hybridisation, as Smith and Coombes argue), and the meaning of service provision changes a result, becoming more technocratic and delimiting public access to decision-making, thus excluding certain parts of society.

Secondly, the changing role of planners creates contradictions in that neoliberalisation increasingly frames planners as information providers whose role is merely to recommend the thresholds of safe behaviour to consumer-citizens, as Smith and Coombes demonstrate, drawing upon the example of New Zealand. Planners may shift the balance in property rights to promote risk avoidance, but the consequential decision on how to use land is transferred to occupiers, developers or tenants to the benefit of those economic actors with access to scientific and legal expertise. Consequently, responsibility is offloaded from planners, as private matters and their consequences are rightfully contemplated at the level of individual households (Smith and Coombes). Oranje (in Chapter 10) also emphasises

Table 1.3 Contradictions of neoliberal planning as presented in this book

Contradictions of neoliberal state	Contradictions of neoliberal planning	Outcomes	Cases
1. Redistribution of state power and responsibilities	Transnational regulations get in the way of established local networks of governance and planning	Local modes of urban governance are distorted due to the intervention of transnational trade regulations	Interference of EU competition law in urban development in the Netherlands (Chapter 5)
2. New roles of and relations between the state and private sector	Shift from a planning system with state interference towards neoliberalisation	Redistribution of benefits via urban land markets distorts urban form and quality of life	Role of the state in the neoliberalisation of cities in Turkey (Chapter 4)
	Normalising neoliberal planning in traditionally social-democratic urban planning systems	Creation of contradictory urbanities	New neoliberal places of wealth concentration that are disconnected from growing social problems in Sweden (Chapter 2)
3. Increasing entrepreneurialism, individualism, and competition	Contradictions between the visions of policy makers and planners, and actions of developers	Neoliberalism can turn urban planners into willing agents of neoliberal accumulation	Restructuring already segregated cities on the basis of neoliberal principles in South Africa (Chapter 10)
	Contradictions between the power struggles among the central state, local state and private capital	Neoliberal deregulation and privatisation decreases collective access to social spaces and services	Role of the central state and city state in neoliberal urban transformation in Taiwan (Chapter 9)
	Use of private-sector organisations for public responsibilities	Transferring responsibilities to individuals and market-based organisations	Neoliberal responsabilisation in New Zealand (Chapter 8)
4. Market freedom versus individual freedom and collective democracy	Not-for-profit developers as a form of social entrepreneurship	Entrepreneurial civil society	Social entrepreneurship in urban development in Canada (Chapter 7)
5. Collective identity and democratic governance	Aspirational urban politics	Urban policy initiatives reflect and reproduce wider changes in the nature of state regulation, citizenship, and welfare reform	Creation of less (welfare) dependent, more entrepreneurial, and responsible citizens through the establishment of new urban cultures in the UK (Chapter 3)
	Planning for property-led development with fragmented collective reaction	Fragmented third-way grassroots reactions	Neoliberal urban movements in Belgium (Chapter 6)

some contradictions that have been created by neoliberalism for planners and politicians, exploring ways and the extent to which neoliberalism has created a setting of rules and actions that have facilitated the continuation, development and sustenance of the approaches and actions of property developers. The chapter shows how neoliberalism has increased the appetite for transformation among urban planners in South Africa, turning them into willing agents of neoliberal accumulation.

Thirdly, planning practice has moved away from democratic and participatory processes, as Baeten shows in [Chapter 2](#). In the case of Sweden, despite the frequent ‘participative planning’ discourse, in planning practice the participation of ordinary citizens goes no further than including some of their reflections in the shaping of the ongoing competitive developments (if the community is participating at all), but not in such fundamental decisions as whether the project should be carried out in the first place. As Taşan-Kok and Korthals Altes suggest in [Chapter 5](#), local networks of participation are also affected by the interference of transnational trade agreements.

Fourthly, the competitiveness agenda creates contradictions for the social cohesion of cities. Neoliberal urban policies are confronted with the uneasy task of matching competitiveness goals with the provision of collective goods and ensuring social cohesion, as Loopmans and Dirckx show in the case of Belgium in [Chapter 6](#). They argue that neoliberal urban development projects appear to be too divisive for the local populace to provide a basis for broad-based collective mobilisation. In the same vein, and complementing Baeten’s arguments in [Chapter 2](#), Raco argues in [Chapter 3](#) that the persistence of deprived or problematic groups are seen by policy makers as a hindrance to national competitiveness and generate additional financial burdens on the welfare state and society. Thus, the distinctions and differences that exist between social groups are beginning to have a negative impact on the overall competitiveness of cities and regions in this policy framework.

Fifthly, in the neoliberal agenda, urban development strategies of central and local governments can be inconsistent and in conflict. Eraydın (in [Chapter 4](#)) shows in the case of Turkey that while the central government transferred certain planning rights to local governments, it sought to retain, or even extend, its privileges in major urban areas, especially in metropolitan regions.

Finally, property-led development creates contradictions, as Jou, Lund and Wu show in the case of Taiwan in [Chapter 9](#). Their findings suggest that strategies of ‘flexible’ accumulation by dispossession centring on land acquisition and property development are key elements in the ‘prevailing pattern’ of contemporary neoliberal planning, and that cities have become important spaces of neoliberalism and entrepreneurial urban politics (Harvey, 1989) that are more accommodating towards investors and developers, as implemented in cities throughout the globe. This, as also emphasised by Baeten in [Chapter 2](#), has led to the creation of disconnected patches of elite islands, and thus discontinuity and detachment in the city.

Exploring these contradictions with case studies from nine countries across the world, this book, in the following chapters, analyses and elucidates the incongruity

between the serving of private, profit-driven interests, and the planning system's goal of improving the built environment that is shared by the public.

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Chapter 2

Normalising Neoliberal Planning: The Case of Malmö, Sweden

Guy Baeten

Abstract This chapter tries to demonstrate how the Urban Development Project of Hyllie in Malmö, Sweden, has normalised neoliberal planning practices that were pioneered in the first UDP in Malmö, Western Harbour, a spectacular development of housing and offices, symbolically built on former shipyard grounds in the early 2000s. Closed architectural competitions, compliance in the local press, a focus on the very construction of the project as a main motivation, the virtual absence of social matters, and the virtual absence of debate, dispute or disagreement altogether, have become ordinary elements in the planning of larger development in the city. But there is no clear break with the ‘social-democratic’ Malmö that precedes the current institutionalisation of neoliberal planning. The Hyllie project borrows heavily from the 1960s Million program’s architectural and design language, and shows a similar impatient drive to ‘build away’ the past (impoverishment, deindustrialisation), head for a similar modernist future that would erase social divides, and, this time, populate the city with cosmopolitan open-minded creative educated liberals.

2.1 Introduction

Using the example of the Hyllie urban development project in the city of Malmö, Sweden, it is argued, overall, that neoliberal planning can best be understood as the embodiment of a set of contradictory urbanities that typify not only Malmö’s neoliberalisation but also contemporary urban neoliberalism across the Western world. The chapter argues that the Hyllie plan does contribute in the short term to the creation of urban wealth and to the socio-cultural revival of the city, but in the long run will create significant social and environmental problems. First, the project is used to pursue contradictory rework the existing demographic fabric of the city in contradictory ways: the project ignores the existing immigrant flows to Malmö from eastern Europe and the middle East – necessitating the expansion of the ‘affordable housing’ stock – while hoping to attract wealthy white westerners elitist housing

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projects. Second, neoliberal planning in Malmö is part and parcel of a wider regional neoliberalisation process that stretches across the Öresund bridge to Copenhagen and installs new scalar contradictions of poverty and wealth, as well as new disjointed landscapes of poverty and wealth. Third, the chapter hopes to demonstrate that neoliberal urban planning in Sweden, however radically different from the preceding social-democratic era, should not be simply understood as an opposite of modernist social-democratic planning; rather, the neoliberalisation of urban planning builds upon the social-democratic heritage. Fourth, while the large-scale urban development project of Hyllie is a significant addition to the urban fabric – it is the largest Nordic UDP – it is also in denial of the existing city through its very design as well as its socio-political rationale.

The city of Malmö, almost a century after it became the seedbed of the Swedish urban working-class movement and of the famed Swedish social-democratic model, has now become one of the frontrunners in the neoliberalisation of urban Sweden through a set of novel interventions in the urban fabric. The Western Harbour waterfront development project, built on former shipyard grounds and launched as an international ‘housing exhibition’ in 2001, arguably is Sweden’s most high-profile neoliberal urban experiment. It includes Europe’s highest residential tower (Santiago Calatrava’s Turning Torso) that instantly became the city’s post-industrial landmark building after the Kockums shipyard crane (then the world’s largest) had been deconstructed and shipped to South Korea. If the Western Harbour project was experimental in the way it changed planning practices and local government intentions, the next major urban development project in Hyllie would institutionalise and normalise the Western Harbour experiments: top-down planning, focus on spectacular architecture, attraction of wealthy residents, privatisation of city-owned land, etcetera. This chapter will focus on the Hyllie project, probably the largest Nordic urban development project, with a new railway station, two towers, an ice hockey rink, a shopping mall and 7,000 dwellings planned or under construction.

It is argued, overall, that the Hyllie project can best be understood as the embodiment of a set of contradictory urbanities that typify not just Malmö’s neoliberalisation but are perhaps exemplar of contemporary urban neoliberalism in much of the Western world. The chapter points out, first, that the Hyllie plan *does* contribute in the short term to the creation of urban wealth and to the socio-cultural revival of the city, but in the long run will create significant social and environmental problems. That may be an obvious and typical flaw of many neoliberal urban development projects, but short-term gains remain a key factor for the political attractiveness and public acceptance of neoliberal interventions. Second, key to the potential success of the Hyllie project is the transfer of city-owned land to private developers, sometimes at bargain prices. The hasty privatisation of land acquired during the social-democratic era has empowered the developers which, in tandem with political regime proactively supporting a strong role for private stakeholders in urban development, has resulted in a significantly reduced impact of planning and planners. The Malmö planning community is facing the danger of becoming the administrative wing of a profit-seeking development regime that has no apparent interest in ‘good’ or ‘just’ planning. The result, as this chapter hopes to make clear,

is a poor plan for Hyllie that is bound to create a set of social and environmental problems.

Second, the paper wants to underline how the project is used to rework the existing demographic fabric of the city: the project broadly ignores the existing immigrant flows to Malmö from 'eastern' Europe and the Middle East, while hoping to attract wealthy white westerners. Like Malmö's other large-scale development project, Western Harbour, the project explicitly seeks to attract a wealthy population (at least prior to the 2008 financial crisis) – this time mainly Danish citizens who want to flee the skyrocketing housing prices in Copenhagen and its hinterland. The project has a very strict idea of what the end-state of Hyllie centre should be: a well-off suburb with top-end retail and entertainment facilities. Closed architectural competitions have generated a set of elitist 'post-modern' architectural proposals for Hyllie that will create an exclusive 'ambient power' which will determine who makes use of the neighbourhood and how.

Third, it will be argued that neoliberal planning in Malmö is part and parcel of a wider regional neoliberalisation process that stretches across the Öresund bridge to Copenhagen and installs new scalar contradictions of poverty and wealth, as well as new disjointed landscapes of poverty and wealth. In fact, Hyllie is one of several new projects in the Öresund region which, together with the gentrifying parts of the inner cities of Lund, Malmö and Copenhagen, form a new layer of well-connected and wealthy 'Öreplaces', or neoliberal 'superplaces', that operate at a different resolution level than the rest of the city. At the other side of the spectrum, a range of places in the city seem to be cut off from the 'Örespectacle'. These neoliberal sub-places fail to connect in meaningful ways (other than through precarious cleaning, security and maintenance jobs) with the Örescale at which most of the wealth is being created.

Fourth, the chapter hopes to demonstrate that neoliberal urban planning in Sweden, however radically different from the preceding social-democratic era, should not be simply understood as an opposite of modernist social-democratic planning. Rather, large-scale contemporary interventions in the urban fabric such as the Western Harbour waterfront development, and the Hyllie project under scrutiny, bear remarkable similarities with the large-scale modernist social-democratic 'Million Program' of the 1960s and 1970s. The social dream of the Million Program – providing affordable quality housing for all – may have long vanished, but the planning practices and architectural and urban design forms that were pioneered and implemented during the Million Program, have come to full fruition in contemporary neoliberal projects. Like modern social-democratic planning, neoliberal planning is driven by an unbridled belief in economic growth and the possibility to build away the unwanted city of deprivation. They are both driven by an unmatched desire to build a *new* city, through large-scale, industrial, and impatient development. Both are driven by the myth that the new city will supersede social divides as it promises social and economic betterment for every segment of the population. Neoliberal planning in the context of Malmö, then, will be interpreted as the continuation of highly modern urban planning practices, albeit reworked to serve an elitist rather than a social reworking of the demographic fabric of the city.

2.2 Neoliberal Planning: New Urbanity, Urban Continuity

While processes of neoliberal urbanisation have been extensively described and analysed within the canons of geography and political science, amongst other disciplines, planning theory has thus far largely shied away from adopting neoliberalism as an analytical concept to make sense of contemporary city building. ‘Neoliberal planning’ may sound as an oxymoron in the first place. An essential part of neoliberal thinking and practice is to effectively remove government interference, or at least to create an atmosphere where planning restrictions are considered to generate ‘suboptimal’ conditions for ‘free’ agents in the business of city building. Neoliberalism is ultimately constituted through its other, state intervention, without which it cannot exist. Neoliberalism, then, is first and foremost a restructuring ethos: an ethical belief in the good of the market and the bad of the state (Peck & Tickell, 2007), or a deep-rooted antipathy towards Keynesianism (Peet & Watts, 2004). Planning, in this view, can simply not be neoliberal since that would imply planning declaring itself an obstacle to optimal city building conditions.

Neoliberalism may have been much about rolling back the state in its early Thatcherite and Reaganite phases as Peck and Tickell (2002) have pointed out, but neoliberalism today is of course much more than just an anti-state-intervention ideology, and therefore perhaps not entirely incompatible with urban planning. Neoliberalism today is not only about rolling back the state to enhance economic ‘freedom’ for capitalist enterprise, but also a philosophy expressed in certain *attitudes* towards society, the individual, employment and, indeed, the city. Pivotal to neoliberal urbanisation is the application of the market metaphor to cities: cities are first and foremost locational products for investors and should be sold and marketed as such. Importantly, the market metaphor is more about attitude towards the city than a reality: *‘there is no hard evidence that the global marketplace of cities exists: for most economic sectors complete mobility of plant and labour is an illusion. Most firms cannot simply move from city to city, across continents and ignoring language and cultural barriers, in pursuit of locational advantage.’* (Treanor, 2005). The very implementation of neoliberal urbanism, in which the city is considered to compete with other cities for investment, innovation and creative classes, and in which social goals of service, equity and welfare are being replaced with cost-benefit analyses (Leitner, Sheppard, Sziarto, & Mariganti, 2007), requires a fair deal of top-down urban *planning*. The reform of urban administrative structures, including the mentality of people manning them, in order to comply with the entrepreneurial spirit that affects every bit of the built environment from land sales to land use decisions, is of course part of an intensely planned authoritarian restructuring effort. In the process, a neoliberal urban governmentality is created (Larner, 2000; Lemke, 2001; Rose, 1999) which essentially imagines the market principle as the inner regulator of the state rather than the state as an external regulator of the market (Leitner et al., 2007). Urban agencies of various sorts, including the planning office, are allowed to operate relatively autonomously, as long as their activities can be monitored and evaluated through a set of quantifiable objectives. Activities of urban agencies are increasingly quantified through auditing, ranking and quantitative targets that should highlight

how entrepreneurial and competitive urban agencies (including the planning department) actually are. The gentle insertion of market-style principles and targets (for example total inward investment, amount of projects started, business tourism levels, population growth, or urban prizes awarded) spawns a new urban planning mentality which can be monitored from a distance without need for political struggle or ideological battle.

These aspects of the neoliberalisation of the city all have profound impacts on the nature of urban planning. It implies a new attitude towards the city: one of planning's foremost tasks is to sustain the myth that the urban built environment has to be fit for global competition; hence its primary goal to seduce investors, wealthy tax payers and the creative classes to make use of the city's unique locational advantages which are carefully imagineered and promoted through costly marketing efforts. Urban planning, then, paradoxically, internalises the market principle as its overall guidance. Rather than critically scrutinising the need for a particular inward investment or major infrastructural project, planning should play a proactive part in the attraction of certain investments, appropriate immigrants and signature infrastructure projects. Planners, rather than seeking 'good planning' (judging short term gain from investments and their land claims against the long term needs of the city), now become co-responsible for a 'good ranking' of the city in various international ranking exercises based on 'quality of life', 'business climate', 'ecological city', etcetera. Finally, it creates a new planning subjectivity: planning's traditional work domains of housing, transport and safety remain its main vehicles of urban intervention, of course, but it no longer sees it as its overall goal to annihilate any shortage of transport or safety. Rather, planners provide the right frameworks for the production of housing and infrastructures, and it is up to the entrepreneurial citizen to exploit the opportunities offered by these frameworks; it is the aspiration of the citizen that defines his or her well-being, safety and happiness in the city. Failure to reach acceptable levels well-being, safety and happiness does not necessarily constitute the right to claim additional efforts from the city. Poverty, homelessness, or exposure to threat, may just as well be the result of personal failure rather than the city's meagre provision of, say, affordable housing.

It should be stressed here that the implementation of neoliberal principles in urban planning is far from a hegemonic project. It was always a messy transformation with unpredictable and hybrid outcomes, and so is its near future. Neoliberalism in its early 'roll back' phase was transformative but also incremental and pragmatic – it dismantled the vulnerable elements of the welfare state, but left significant parts intact (see for example Jenkins, 2006, on the piecemeal character of 'Thatcherist' reform). Neoliberalism is therefore more of a strategy, a state of mind, an approach, a pragmatist way of looking at and doing things, than a proper coherent governing ideology (Brenner & Theodore, 2005). While Anderson (2000) goes as far as claiming that 'neoliberalism is the most successful ideology in world history', we would rather share Tickell and Peck's (2003) conviction that neoliberalisation is '*contradictory, having the capacity to bring forth countertendencies, and as existing in historically and contingent forms . . . analyses of this process should properly focus on change – on systems and logics, dominant patterns of restructuring and*

so forth – rather than on binary and/or static comparisons between a past state and its erstwhile successor. Neoliberal urban projects are not simply the functional outcome of a particular form of economic governance. The idea that neoliberalism is merely a top-down imposition makes it impossible to explain why people act as neoliberal subjects in the first place. Neoliberalism produces spaces, states, and subjects in complex and multiple forms. Highlighting the complexity and contradictions in analyses of neoliberalism would overcome the fear and hopelessness generated by monolithic accounts of the neoliberal project. Neoliberalism is profound experimentation rather than the rolling out of a coherent programme (Larner, 2003), ever since its very intellectual origins in Austria and Germany during the 1920s and 1930s (Peck, 2008). We should not see neoliberalism as monolithic and functionalist, as an undifferentiated global behemoth, running on autopilot or guided by some invisible hand (Leitner et al., 2007). If anything, it is a mongrel regime that uneasily co-exists with its ‘other’ – the city of social concern, but also of forms of resistance (Peck, Theodore, & Brenner, 2009a).

In the city of Malmö, we can indeed observe a ‘variety of neoliberalism’ (Peck, Theodore, & Brenner, 2009b) that carries a significant share of social-democratic, modernist elements, as well as Keynesian elements. Neoliberalism, here, too, is first and foremost a restructuring ethos: it believes in the good of the market but that does not automatically imply the implosion of the sphere of collectivity. Malmö’s neoliberalisation rises out of modern social democracy but does not constitute a fundamental break with it. It eats into the vulnerable sides of the welfare state (punishment of the poor through harsh unemployment policies, surveillance of the poor in deprived neighbourhoods through (brutal) police presence, or the privatisation of some but not all public companies), but leaves crucial parts of it relatively untouched. It does not overrule but rather exists alongside other urban regimes, or lives in ‘parasitic co-presence with other social formations’ (Peck, 2004). Is Malmö a ‘neoliberal city’? Not really, neoliberalism has transformed the city in many ways but there is no clean break with its past or present ‘other’. There may be sustained efforts to discredit social-democratic ideals for the city, but these ideals are not easily or simply abandoned. Rather, neoliberalisation builds upon them and molds them to suit its own purposes.

2.2.1 The Plan

Hyllie is a newly planned city district in southern Malmö currently under construction (see Fig. 2.1). Works started in 2007 and should be completed by 2013. It is centered around a station square with a new underground railway station which is part of a new railway line between Malmö and the Öresund bridge. Around the square, a shopping centre of 75,000 m², an ice-hockey rink and events hall (capacity 15,000), a hotel of 400 rooms, offices and two towers for mixed use will form monolithic elements on each side of the square. Around the atomised central square development, 7,000 dwellings should house around 15,000 inhabitants when completed. The district is cut off by a dual carriage-way in the north from the adjacent

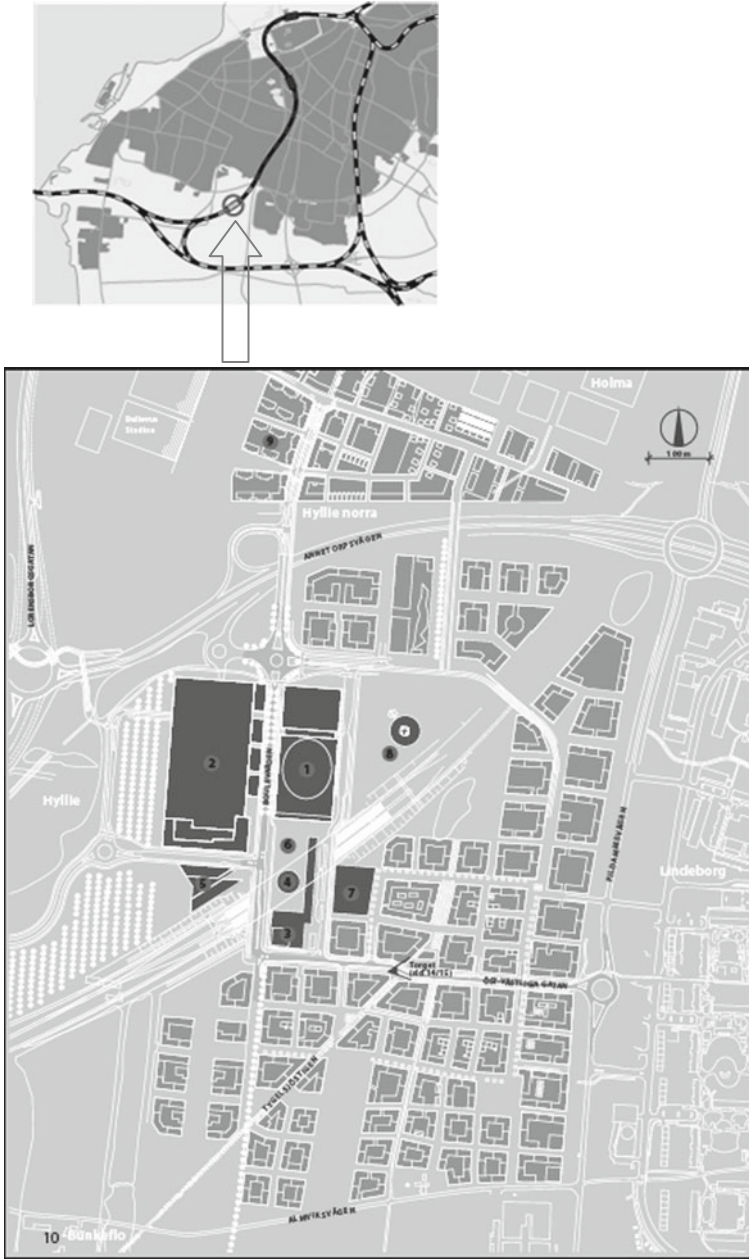


Fig. 2.1 Location of and plan for Hyllie. (1) Malmö Arena; (2) Emporia shopping centre; (3) Point Hyllie; (4) Railway station; (5) Hotel; (6) Station square; (7) Parking house; (8) Park
Source: www.malmo.se accessed 10 June 2008.

deprived neighbourhoods of Holma and Kroksbäck, and is connected in the south to a new motorway leading to the Öresund bridge. At least 6,500 parking spaces are planned in the new district. In spite of its new centrally located railway station, the new city district is heavily oriented towards motorised traffic. There has been no attempt to integrate the Hyllie district in the existing built environment with the help of through-roads or other forms of design that would create continuity between the existing urban fabric and the newly planned neighbourhood. It is designed as a relatively autarkic neighbourhood with excellent transport connections with other new developments in the Öresund region, but not necessary with its immediate surroundings.

Hyllie will be built on formally city-owned land. At some point, the city of Malmö owned around 40 percent of its land after systematic compulsory purchases from farmers and landowners during the 1960s in preparation for the Million Program. The Million Program was a very ambitious national housing project with the aim to construct a million new dwellings between 1965 and 1974, as a response to the then miserable housing conditions in Swedish inner cities. The Swedish government effectively succeeded in fulfilling this aim: it resettled more than a million urban citizens, lured by the promise of modern, well-equipped, bright and spacious apartments on the outskirts of the city. In Malmö, as in other Swedish cities, the disappointment with the isolated, sterile out-of-town apartment blocks soon resulted in out-migration towards newly-built villa areas further away from the city (by those who could afford it). Land already acquired by the city lay idle as the Million Program's aims were largely fulfilled, while the existing Million Program areas became increasingly unpopular and were facing depopulation even before the official end of the Program. Today, the city of Malmö is systematically selling significant parts of its land holdings to initiate housing and commercial projects, together with major infrastructure projects (motorways and railways). The Hyllie area, initially earmarked for the Million Program, is being sold in consecutive rounds to selected property developers.

It is clear that the Hyllie project, in combination with other high-profile interventions, play a significant part in the city's transformation from a clapped-out industrial town after the shipyards closure in 1987 to a post-industrial city that has somehow regained its self-confidence. The short-term economic gains from the very construction of this new, post-industrial city are considerable and the role of this newly built environment in Malmö's city-marketing efforts is essential. However, as will be argued in the rest of the article, Malmö's current regeneration policies are threatened by a set of built-in socio-cultural, political and economic contradictions that should be addressed if the long-term gains of Malmö's turnaround are to be secured.

2.2.2 The People: Reworking Malmö's Demographic Fabric Against the Odds

In the wake of rapid de-industrialisation, lack of employment opportunities and the growing unpopularity of the Million Program areas, Malmö's population decreased

from 265,000 in 1970 to 229,000 in 1984, after which the population more or less stabilised. The generous intake of refugees from war countries, particularly Iraq and the Balkan countries, from the early 1990s onwards, reversed the depopulation trend. The total population is now at an all-time high of around 300,000. While the overall population growth figures are regularly portrayed in city marketing efforts as the symbol of the city's renaissance, it remains a fact that Malmö continues to lose its white population to neighbouring municipalities. The main reason why the city year after year has a net migration balance is mainly because of the continuing influx of refugees, asylum seekers and immigrants from those war-torn areas, and from elsewhere. The number of Swedes is now down to around 200,000 while the number of Malmö citizens born abroad is up to almost 80,000. Figure 2.2a shows how the negative migration balance between Malmö and its surrounding municipalities in 2006 (minus 1,610; mainly the result of the ongoing 'white flight') is largely compensated by a strongly positive migration balance with other countries (plus 2,400). Figure 2.2b demonstrates that the largest group of people born abroad is of 'eastern' European descent (mainly from Serbia and Bosnia; and Poland), followed by Asia (Malmö hosts around 8,000 Iraqis and 3,000 Iranians). Immigrants from the Nordic world represent a relatively small group (around 10,000; mainly Danes living in Malmö, often with jobs and/or relatives in Copenhagen). In other words, leaving the very specific influx from adjacent Copenhagen aside, Malmö's population growth is almost exclusively due to a sustained influx from the 'east'. Around 27 percent of Malmö's population was born abroad – more than in any other Swedish city.

The rapid multiculturalisation of Malmö has triggered a variety of xenophobic reactions but also policies that are clearly reflected in the demographic hopes and aspirations for the new population of Hyllie once completed. Malmö's cosmopolitan population gained international attention in 2004, when Fox News descended on the

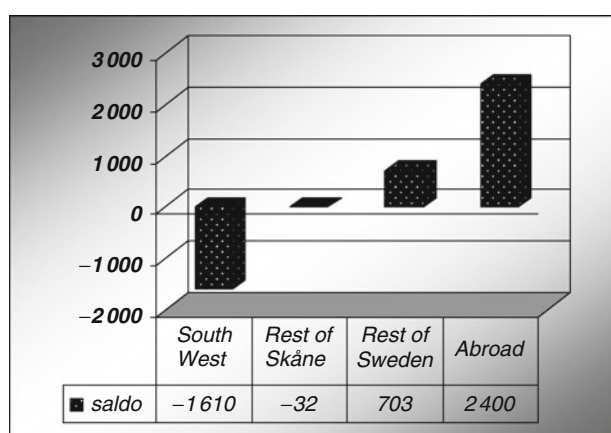


Fig. 2.2 a Malmö's migration balances (2006). **b** Immigration in Malmö by region of origin (2007)

Source: www.malmo.se plus own calculations. Accessed 2 February 2007.

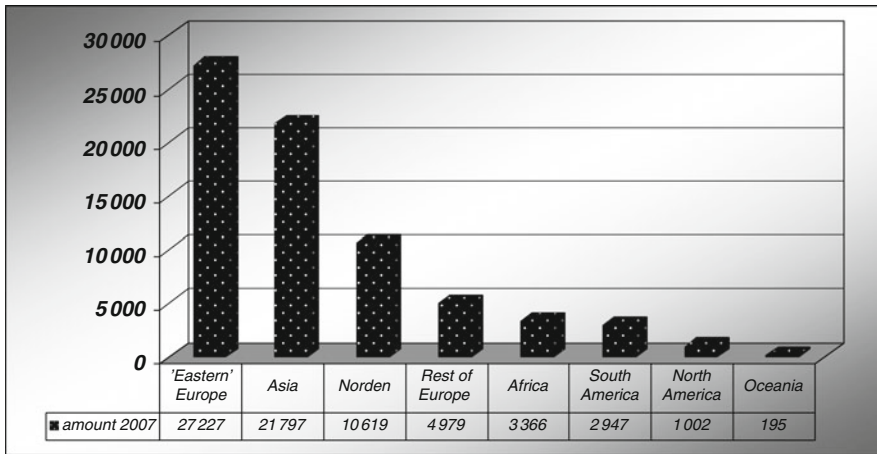


Fig. 2.2 (continued)

city to report how the ‘Swedes Reach Muslim Breaking Point’. Part of a series called ‘Eurabia’, the news item informs viewers that Malmö is facing a ‘sudden explosion’ of Muslims – 25 percent of the population according to the report (in reality much lower). They come from ‘... Iraq, Iran or Libanon ... Ninety percent of them are unemployed’ (again, much less in reality), they are ‘angry’ and, ungrateful as they are, they are now ‘taking it out on the country that took them in’. The report suggests that Sweden has some of the most liberal asylum laws in Europe, meaning that ‘asylum seekers may bring spouses, brothers and grandparents with them’. The city is ‘swamped’ with ‘outsiders who are already inside’. The ‘legendary Swedish tolerance’ has been ‘stretched to the breaking point’. The text is supported by images of ‘ethnic’ youngsters raising their middle finger towards the camera, police interventions, and pictures of an arson attack on the local mosque. Strangely, Fox News does not wonder who the attackers might be, but it is mentioned that Muslims attacked the fire engines as they arrived. This overtly xenophobic mix of lies, misrepresentations and scaremongering has become part and parcel of publicly ventilated opinions about the downfall of Sweden due to immigration, spearheaded by Malmö. This is from a conservative blog in 2005 (clearly inspired by Fox News): ‘*The country that gave us Bergman, ABBA and Volvo could become known as the Bosnia of northern Europe. The “Swedish model” will no longer refer to a stable and peaceful state with an advanced economy, but a Eurabian horror story of utopian multiculturalism, Socialist mismanagement and runaway immigration*’ (Fjordman, 2005).

Less radically, but perhaps more powerfully, the mayor of Malmö wrote an open letter to the Swedish national government in 2004 to complain about Malmö’s disproportionate intake of refugees. The mayor would like to see an end to the free choice of residence by refugees and basically distribute them more equally amongst Swedish municipalities in order to ‘share the burden’. A spreading plan would make it near to impossible for newly arrived refugees to start life in Sweden, since they

would be without the help of networks of fellow refugees which are crucially often strongly concentrated in specific urban ‘transition zones’, for example in Rosengård in Malmö. Spreading refugees across the country may be at odds with their geography of survival and integration, but it remains a thorn in Malmö’s flesh that some of the neighbouring municipalities, which together have come to form a white commuter belt, some with significant electoral support for the extreme right-wing Swedish Democrats (*Sverigedemokraterna*), either accept only a token amount of refugees or refuse to take in refugees altogether.

The fear that the city would be overrun by immigrants, who would impose an impossible burden on the city’s social budget and housing stock, while missing out on the arrival of the ‘creative class’, is put into an historical perspective by Mukhtar-Landgren (2009). Mukhtar-Landgren juxtaposes two iconic urban newcomers, the ‘stranger’ and the ‘entrepreneur’, and analyses how they have been historically received by the city of Malmö. In the late 19th and early 20th century, when Malmö was rapidly industrialising, large numbers of immigrants from the impoverished Swedish countryside arrived in Malmö. Those ‘peasants’, sometimes with an impenetrable countryside accent, were met with suspicion and contempt – they often ended up in the then major transition zone of the city, Kirseberg. At the same time, ‘entrepreneurs’, typically successful industrialists, were welcomed at the Baltic Exhibition of 1914 where the captains of industry from countries around the Baltic exhibited their machines, products and industrial achievements. Today, the iconic ‘peasant’ has been replaced with the ‘refugee’, ‘asylum seeker’ or ‘Muslim’ – met with similar suspicion and contempt (‘language test for immigrants’¹), and often starting life in the transition zone of Rosengård or comparable neighbourhoods. Today’s ‘entrepreneur’ belongs to the ‘creative class’ and is typically employed in research, computing, or the media industries. The housing exhibition in Western Harbour in 2001 (known as Bo01) could count as the official welcome for the 21st century ‘entrepreneur’. Hyllie counts as the largest project yet to cater for the alleged housing, office, leisure and transport needs of the ‘entrepreneur’. In the Hyllie case, 70 percent of the planned housing stock will be for sale only, thereby excluding lower-income families who can only afford to rent. The main local business-friendly think tank *Öresundsinstitutet* initially hoped that around 70 percent of the Hyllie population would consist of Danes (fleeing the skyrocketing housing prices of Copenhagen and its surroundings). This forecast was widely touted in the local press, and it could have perhaps turned into a self-fulfilling prophecy, were it not for a downturn in Copenhagen’s housing prices in 2007, followed by the current financial crisis which makes it unclear how many Danes will eventually choose to live in Sweden.

In sum, the city is looking towards the ‘west’, towards Denmark, for imagined immigrants, ‘entrepreneurs’, to populate the well-off suburbs of Hyllie, while the real immigrants, ‘strangers’, continue to arrive from the ‘east’. Before the 2008

¹ One of 2006 election slogans of the conservative People’s Party which are now part of the coalition government.

credit crunch, it was hoped that by 2015 23,000 Danes would live in Malmö while 30,000 Malmö Swedes would be employed in Copenhagen. In the light of these figures, the Öresundsinstitutet has even pleaded at some point to widen the Öresund bridge (Sydsvenskan, 07-01-07). According to interviews with estate agents, it is not just Danes who would love to live in Hyllie but also immigrants from Stockholm, Göteborg and the rest of Sweden (Sydsvenskan, 17-11-05). The Hyllie aspiration, clearly, is to construct a new city for new (white, western) people. The contradictory aim to build for imaginary immigrants in the hope of attracting them while not building for the immigrants who have arrived, forms the basis of an emerging double housing crisis in Malmö. On the one hand, part of the existing luxury housing stock may go down significantly in value, or may even remain partly unoccupied, and planned luxury condominiums may not be built at all, thereby disturbing the overall design plans for new districts such as Hyllie. On the other hand, and more importantly, the lack of newly built affordable apartments is creating an acute housing shortage: *'for certain groups like the homeless who already find it difficult to get access to housing, a housing disaster is waiting. There is not a single apartment available in Malmö to those who are poorly embedded in the housing market: those with low incomes, or students'* (Olle Sundh, Real Estate Department, in Sydsvenskan, 31-10-07). In the autumn of 2008, squatters occupied houses in both Lund and Malmö by way of protest against the acute shortage of affordable housing in the region. While their actions were short lived as the police moved in quickly, they remain symptomatic of the looming housing crisis due to the systematic mismatch between actual housing needs and the attempt at 'demographic engineering' through a disproportionate supply of luxury dwellings.

2.3 The Production of the Örespectacle: New Scales and Landscapes of Prosperity and Poverty

The Hyllie project is part of a set of neoliberal planning projects including the systematic conversion of rental housing stock to housing stock for sale. Together, they are part of a newly emerging scale of wealthy places in the Öresund region, stretching from Copenhagen via Malmö to Lund. It is a network of 'superplaces' which together form what I would like to call the 'Örespectacle'. It is a combination of new places for elite consumption and housing, new prime office locations, elite playgrounds and gentrifying parts of the inner city that are connected through excellent (new) transport means such as the Öresund bridge, Citytunnel and the new Metroline in Copenhagen. This Örescale is an upscaled city that feeds off the existing city for land and labour but is simultaneously in denial of it: it is, as it were, hovering just above the skyline of the Lund-Malmö-Copenhagen conurbation. In the process, it creates a new intermediary city-region scale, an Örescale of business, housing and consumption that operates at a different level of resolution. The Öresolution highlights new business and housing projects in Lund (Ideon, Brunnsjö), Malmö (Hyllie, Western Harbour, Bara golf resort, Victoria Park

and the gentrifying neighbourhoods of Rörsgästaden, Davidshall and Slottstaden), Copenhagen (Örestaden) and their connections through (new) railways, bridges, tunnels and motorways. It creates a city-scale at which people can operate relatively independently of the rest of the city: its places and corridors are relatively well insulated from unwanted people and activities and hence do not require major exchanges with the other city. Urban segregation between haves and have-nots is of course not new, but the systematic construction of new places connected through excellent transport infrastructures is resulting in a new scale of built environment, a relatively autonomous functional whole of elitist places, that was simply not there a decade ago. It is a network of places that is simultaneously plugged into the global scale (through its prime connection to Copenhagen airport) and creates a new local city-regional scale that is speedier, slicker, smoother, more classy and more exclusive than the rest of the local built environment. Tellingly, in the Hyllie case, the planning option was not to open a new railway station in Holma, the deprived neighbourhood where the railway tunnel comes above ground, but to place the railway station half a mile further south, in the middle of an agricultural field, so that the railway station could be the transport hub of a newly built Öreplac with a luxury shopping centre, a new prime office market, and housing. The potential profits from turning acres of farmland into prime offices are huge. According to Jones Lang Lasalle (2007), the GRP of the South of Sweden has grown by 4.4 percent in 2006 and will continue to grow in 2007 and 2008 by 3.6 and 2.7 percent respectively. The investment market has grown by a staggering 73 percent in 2006 alone (excluding residential and corporate acquisitions) from SEK 3.8 billion in 2005 to SEK 6.56 billion. In 2006, cross-border investment constituted 42 percent of the total investment volume. Prime rents in Malmö's central business district are now up 210 Euro per square meter, compared with 431 in Stockholm CBD, 352 in Oslo CBD and 194 in Copenhagen CBD.

The Örespectacle creates a new landscape of wealth, prosperity and exclusivity. In the Hyllie case, architecture and public space design are of course pivotal in the creation of such a landscape. Central to the new Hyllie neighbourhood, for example, is the construction of a new tower. The history of tower design for Hyllie is short but remarkable: new plans were systematically less ambitious than previous ones, which is even reflected in the changing names for the respective tower plans (Fig. 2.3). The Norwegian hotel developer Artur Buchardt tabled a proposal in 1997 to build a hotel tower of no less than 325 m, called the Scandinavian Tower. Questions of viability forced the developer to scrap the plans in 2004. Annehem, the Malmö-based development company, launched a plan to build a 216 m high tower, Malmö Tower, in 2007. It was their preferred choice out of four tower proposals in a closed architectural competition – the winner was announced at MIPIM 2007 in Cannes.² Again, economic viability issues made the developer change its mind in 2008 and replace the Malmö Tower project with the 95 m high Point Hyllie.

² The city of Malmö, with other regional actors, sent a delegation of 17 business leaders, civil servants and politicians to MIPIM 2007, which is the largest annual real estate fair in the world.



Fig. 2.3 The Örespectacle

Source: Department of Human Geography, Lund University.

The architectural drawings for Point Hyllie with its slick offices and dwellings ooze a very specific ‘ambient power’ (Allen, 2006). The sheer materiality of the tower – its height, form, massing, footplate, infrastructure and neighbourhood – endows it with a special place in urban territories (McNeill, 2005). The codes and signs written into its architecture and public space layout surrounding the tower create a certain ambience that makes it very clear who is supposed to make use of the public space and office towers and who is not. Hyllie’s landscape is in perfect harmony with this perfect member of the creative class, the neoliberal subject personified. The architectural design is minimalist with straight lines and generates a closed-off feel. There is a fancy outdoor café in the background while the use of cold shades of light blue and gray give the scene an ambient power of business, high-tech, finance, prime offices, exclusivity and wealth. This is no place but for those who know how to get into those buildings by key or by invitation. To conduct otherwise in such an environment (for example loitering) would draw attention. Inhabitants from nearby deprived neighbourhoods Holma and Kroksbäck, may well make use of Hyllie railway station but would most likely not stay there longer than needed.

In sum, Hyllie is one place in a network of places in the Öresund region that, together, form both a new business-friendly landscape and a new scale, a new resolution level of elitist offices, housing, recreation areas and transport corridors that hover above the existing city. The Örespectacle is connected to the rest of the city through its need for land and labour but is otherwise a fairly autarkic spectacle of the well-off city. The Örespectacle is in the city, and feeds off the city, but is not *of* the city; it uses the city, but does not want to belong to it.

The flipside of the Örespectacle is the formation of a set of places that are increasingly disconnected from the sources of wealth, a set of 'subplaces' that exist in-between and underneath the places of the Örespectacle that now absorb the bulk of new investment in the built environment. These are the places of burden, of cost; together, they constitute a downscaled city that is highly dependent on the Örespectacle with all its monies and opportunities but is unable to connect to it otherwise than through the precarious demand for cleaning, maintenance and security jobs. These subplaces, not connected through excellent transport corridors, consist, first, of 'transition zones' or neighbourhoods with poorly maintained apartment blocks, often owned by speculators who charge disproportionately high rents. Just as in Chicago's transition zones a century ago, these transition zones are the 'first port of entry' (Burgess, 1928) for Malmö's newcomers, often as a relative, an acquaintance or a guest with similar geographical roots. The overcrowding in these apartments can be problematic (Poppoola). The most well-known of these transition zones is Rosengård, a Million Program area that gained international fame through the Fox News item about violence and danger in this 'Arab ghetto'. Next to Hyllie, Holma and Kroksbäck partly fulfill similar functions for newly arrived immigrants. In the Hyllie area, then, the two iconic newcomers to the city, the 'stranger' and the 'entrepreneur', are spatially juxtaposed; the Hyllie area becomes a spatial experiment in how to make the 'stranger' and the 'entrepreneur' live next to each other with very unequal facilities, opportunities and possibilities.

A second set of 'subplaces' that fall outside the Örespectacle consist of the places occupied by the homeless. Malmö, the cradle of Swedish social democracy, has seen its homeless population almost triple from 313 in 1997 to 860 in 2008. The number of rough sleepers is estimated at around fifty, without signs of a particular increase or decrease. Forms of hidden homelessness (number of people registered as homeless with the social authorities but living in private lodging or in 'training flats') have risen alarmingly from 410 in 1997 to 1383 in 2003 (Oldrup, 2004). Research has shown that homelessness has risen faster amongst non-addicts, women and youngsters (Socialstyrelsen, 2006), in contrast with popular imaginations of the typical homeless as a 'male street drinker'. The number of children in homeless families, for example, has sharply risen from a mere 29 in 2005 to 219 in 2008 (Malmö Stad, 2008). Further, housing prices in Malmö have risen spectacularly in recent years. Compared with 1995, average housing prices have risen by 271 percent and even more in nearby Copenhagen (347 percent). Fuelled by yet another round of very cheap credit, housing prices are rising again after a slump in the wake of the 2008 financial crisis. This, of course, has forced low-income residents to move away altogether from the city, and has triggered serious overcrowding in transition zones such as Herrgården (part of Rosengård) (Hendra & Al-Zubaidi, 2002), processes of both hypergentrification and filtering (the replacement of emigrating residents with less prosperous newcomers in already deprived neighbourhoods (Clark & Hedin, submitted), and upsurges of street violence and arson attacks (the incidence of arson attacks has steadily increased over the past years with strong concentrations in the most deprived neighbourhoods such as Rosengård and Kroksbäck – see Hallin, Jashari, Listerborn, & Poppoola, 2010).

In short, the city's obsession with supporting the emergence and consolidation of the Örespectacle, while not dealing with the 'fallout' of a decade of sustained neoliberal policies, is only exacerbating already existing forms of socio-spatial polarisation that can only result in more aggressive confrontations between those who live outside the Örespectacle and on the other hand the police forces and city authorities.

2.4 The Same and the New: Continuity and Change in an Age of Neoliberal Planning

2.4.1 *The Same*

According to Swyngedouw and Kaika (2003), 'Contra the advocates of the 'post-modern turn', the last two decades have seen, if anything, the reassertion with a vengeance of the process of modernisation'. In the Hyllie case, the setting shows some intriguing similarities with the overall urban concerns during the Golden Age of Fordism. Like then, all current forecasts for Malmö promise sustained economic and population growth in the foreseeable future, and it is time to build a city that can absorb that growth (and through its very construction significantly contribute to growth). Malmö's statistical office estimates that the population will grow by 4,000 per year between 2008 and 2013, while only 1,300 new dwellings are estimated to be completed in 2008, 1,000 in 2009 and 700 in 2010 – clearly insufficient to cater for the expected population growth (Malmö Stad, 2010). During the Million Program of the sixties and early seventies, land was developed quickly and industrially, inspired by the utopia of social progress. Before the program was even finished, it was increasingly criticised and some of the utopian projects turned into premature 'degenerate utopias' (Harvey, 2000). Hyllie, and other urban development projects (UDPs), are built with similar impatience and optimism. It should not be excluded that Hyllie could be the next degenerate utopia before it is even finished – a ruin of the credit bubble of the late 20th and early 21st century – although the project is currently (mid 2010) surrounded by a sense of eerie normality, as if the financial crisis was just a short nuisance.

The work of Ristilammi on Malmö (2006) is particularly inspiring to make sense of the interplay of modern utopia and dystopia that has shaped Malmö's urban landscape and its 'emotional structure' as he calls it. Ristilammi argues that the modernist project was utopian, oriented towards the future and therefore also a-historical. History was represented as that what should disappear, something that was no longer of value. In the Million Program, history equalled Sweden's worn-out city centres, not only because they had become redundant, but also because it was a symbolic gesture to erase them. The a-historical nature of the modernist project, with its contempt for tradition, also included that the future would be mono-cultural. The new modern human being, stripped of everything old, would be a being without background. Cultural difference was considered problematic. Social divides should

be overcome through the creation of modern man. The tragedy of the modern dream, of course, was that modernity was not ethnically or socially neutral. The negation of difference in the name of modernity was paradoxical, since modernity, by definition, had created its own difference, or otherness, in order to be able to understand itself. Sweden would soon enter a colonial relationship with its Million Program estates. The working classes had to be educated and raised to a level that was considered normal, acceptable, desirable, by the colonisers. A key feature of modernity is that people and places are categorised along a development line. People and places have to develop, be flexible and adapt themselves to quickly changing environments. Those who cannot adapt will fall behind in development terms. The condition of the working classes was the ‘other’ in the Million Program; the ‘other’ who had to be developed, patronised, educated, provided with infrastructure and housing that would turn them into a-historical modern beings.

Ristilammi argues that this way of modern thinking about the city is still prevalent. Western Harbour, and Hyllie, are essentially modern projects, like the Million Program estates, in the sense that they want Malmö to develop along modern lines, thereby erasing the past: the industrial past, the unemployed, the (ethnic) poor, the non-adapted to the 21st-century service economy, and their necessary replacement with the creative classes. The city, again, is colonised and patronised, and prepared for the introduction of modern woman, working in the IT sector perhaps, and stripped of her past. Western Harbour was the very conversion of Malmö’s industrial heart, not only because it had become redundant, but also a symbolic gesture. The new wave of UDPs in Malmö incarnates a second wave of modernity: modernity take II if you like. The new Malmö is once more trying to erase its ‘other, namely its industrial heritage and the demography that came with it. Brochures promoting the Bo01 exhibition, talked of ‘Year 1’ (År 1): a totally new beginning, a negation of the past, an entirely new era that would once and for all bury Malmö’s industrial legacy.

Malmö’s ‘second upswing of modernity’ may fall prey to the same error that dragged the first wave of modernity into a crisis as understood by Ristilammi: on the one hand, the negation of social difference and the desire to build away the unwanted city, the other city, the city of poverty; and, on the other hand, the promotion of a mono-cultural modern (wo)man without particular bias but with a cosmopolitan multicultural taste, and the arrival of the new creative entrepreneur. Like then, this second attempt to build away history, and to ‘build’ a universal modern woman to occupy the new city, will haunt Western Harbour, and Hyllie, because of the sheer impossibility of it all. Growing social and ethnic divides stand in the way of the a-historical cosmopolitan liberal woman and cannot be built away through a renewed attempt at modernism.

2.4.2 The New

First, the Hyllie project can be interpreted as the ‘normalisation’ or ‘institutionalisation’ of neoliberal, depoliticised planning in Malmö and Sweden. Its immediate

predecessor, the Western Harbour UDP, was a straightforward attempt to attract the well-off to the city centre with fashionable architecture and high-class lifestyle amenities. But, in contrast with the Hyllie UDP, Western Harbour triggered debate and resistance, and the planning methods were experimental. In Hyllie, contestation has completely vanished and political debate is virtually absent. Building fancy architecture for the well-off was a clear rupture with Malmö's past when Western Harbour was developed, and was heavily debated as such, but the same planning aim is now implemented in Hyllie and goes unchallenged. The elites of Malmö have institutionalised the Western Harbour experimental planning and design techniques to push through high-profile UDPs in Malmö. Plans are designed without people's needs and wishes as a starting point. Quite the opposite, they are largely designed to attract a new class of people and in that way change the social demography of the city. The attraction of high profile architects and the organisation of high profile architectural competitions, the allocation of land to major developers without wider consultation, the marketing of these newly constructed places at major construction fairs, and the unmatched desire to build a new city for new people, were pioneered at Western Harbour but have become common practice at Hyllie.

The disappearance of urban debate, dispute and disagreement goes hand in hand with the seductive power of architectural aesthetics. Over the past few years, virtually all local media have continually and uncritically reported on various architectural competitions for Hyllie and generously printed seductive architectural sketches of winning proposals. To the public, who may not be familiar with planning procedures, let alone knows how to contest planning permission, these architectural competition outcomes create the impression of a proper planning decision, while nothing has actually been decided. The endless stream of glossy brochures, supportive newspaper articles and positive local television news items make it near to impossible to develop, let alone disseminate, a counter discourse that would at least generate a dose of scepticism and perhaps some debate about the nature of the Hyllie plans. The numbing of meaningful debate around the largest urban extension since the Million Program, the powerful presence of the architectural spectacle, and the blatant absence of alternatives (no other plan was ever presented than the one now being implemented), have introduced an era of post-political development in Malmö. The annihilation of 'disorganised', non-institutionalised voice raising in urban development efforts has precisely installed a development order that is beyond the political (see Swyngedouw, 2007). Urban development projects, exclusively conducted through the network of developers, key politicians and key city administrators, create a *singular* discourse about what urban development projects should be about, and reduces *any* alternative development view, expressed by whomever whenever, to sheer background noise. Parties expressing alternatives will be either labelled 'traditionalists' living in a romanticised past when urban politics were still possible, or 'fundamentalists' who do not understand contemporary requirements and conditions for successful regeneration. In today's harsh climate of global competition, urban planning and regeneration should not be left in lay hands but should be firmly steered by authoritarian technocratic conglomerates of professionals and politicians who pursue development 'beyond-the-state' (see

Swyngedouw, 2005). Inhabitants and other unprofessional interest groups whose interests fall outside the economic logics of maximising land rent, and who have no explicit interest in preparing the city for the harsh conditions of global competition, have no place in the era of post-political development (see Baeten, 2009). Urban development, in post-political times, has first and foremost become a *managerial* issue: a process of rational, informed decision-making by professionals, in the interest of the more powerful segments of the city. Post-political urban development takes profit maximisation, global urban competition, minimum public intervention and maximum private initiative, all administered by a managerial team of urban professionals, as the sole principles of urban planning. Contemporary urban *politics*, then, would be nothing else than the *disruption* of this managerial urban order through reclaiming democratic decision procedures, or demand discussion around alternative development ideas. But politics around the Hyllie project have effectively been eliminated through the proactive production of a sole, undisputed and unquestionable development discourse in the local media.

Besides 'development-as-management', another key feature of post-political development in Malmö is the separation of the social and the political from the economic. The Million Program of the sixties and seventies also saw large pieces of land developed, and profits being made, but it was inspired by social-democratic principles of providing affordable housing for the masses. That connection between the economic and the social has now been abandoned as social goals are no longer written into urban development projects. Like the Million Program development projects, the Hyllie project is characterised by close cooperation between public and private 'partners', but the difference is that private developers have now taken over the functions that traditionally belonged to the public camp: overall planning design, overall aims and population targets, and time schedules. The role of the city and its planning and real estate departments is now reduced to administering and facilitating the 'forces' of the free market to fully flourish – what is 'good' for the market is considered 'good' for the city. This total convergence of social, economic and political concern is precisely what has depoliticised development in Hyllie. While in the past the private sector would be called upon to invest, develop and construct within certain constraints of social concern (like the aim to build affordable housing for the masses), today, investment, development and construction *in themselves* are considered most valuable for the city. The abandonment of goals that serve the 'public good' which do not necessarily coincide with the immediate profit-maximising goals of the private sector, inevitably result in substandard provision of necessary built elements – the city as a collectivity of people, activities and a built environment simply needs public (social, environmental, long-term) goals that will unavoidably sit uneasily with private (economic, short-term) ambitions. Without independent planning goals that pursue the well-being of the city, social and environmental crises will be written into the construction of any built environment. In the Malmö case, this already implies the emergence of a housing shortage in spite of the impatient and large-scale housing development schemes across the city, and traffic problems in spite of unprecedented levels of investment in transport infrastructures.

2.5 Conclusion

This paper has tried to demonstrate how the seductive nature of seeking short-term gain through the impatient construction of a new city in the late 20th and early 21st century, has had a significant effect upon Malmö's outward image, self-perception, confidence and socio-cultural revival of a place that suffered from deindustrialisation during the seventies and eighties. The chapter has tried to show how the short-term economic revival of the city has several built-in tensions that inevitably cause a set of socio-economic problems. A profit-driven plan for the UDP project in Hyllie, south of the city of Malmö, has seen the construction of a set of monolithic commercial blocks around a new railway station between the Öresund bridge to Denmark and a new tunnel link with Malmö's central station. The result is a poor plan that unashamedly prioritises the large-scale development of prime offices, a shopping centre, a hotel and an events hall as the key buildings around the station square. Surrounding housing blocks are in the first place aimed at an imagined white immigrant population (from outside the city) while there is an acute affordable housing shortage in Malmö and the wider region. The Hyllie UDP is part and parcel of the formation of a new interurban scale, an Örescale or Örespectacle, that is created through the development of a set of well-connected elite UDPs, technology parks, and new infrastructures. This new Örescale of spectacular architecture, design and transport engineering, seems to hover just above the skylines of Copenhagen, Malmö and Lund, feeding off the city for land and labour, but not part of the city. It is a new scale of neoliberal places of wealth concentration that is in denial of, and disconnected from, growing social problems in the city of Malmö with its sizeable concentrations of deprivation in certain neighbourhoods. The separation of economic development and social concern (with clear ethnic lines), and the blasé indifference towards real social problems, will inevitably fuel tensions in the city and lead to more segregation, polarisation and sporadic outbursts of violent street protests in the city that was once the cradle of the Swedish social-democratic model.

The Hyllie project has normalised neoliberal planning practices that were pioneered in the first UDP in Malmö, Western Harbour, a spectacular development of housing, offices and Calatrava's Turning Torso (one of the highest residential towers in the world), symbolically built on former shipyard grounds in the early 2000s. The absence of planning alternatives that would be evaluated through some sort of democratic procedure, closed architectural competitions, massive promotional campaigns through glossy brochures, compliance in the local press, a focus on the very construction of the project as a main motivation, the virtual absence of social matters, and the virtual absence of debate, dispute or disagreement altogether, have become ordinary elements in the planning of larger development in the city. But there is no clear break with the 'social-democratic' Malmö that precedes the current institutionalisation of neoliberal planning. The Hyllie project borrows heavily from the 1960s Million program architectural and design language, and shows a similar impatient drive to 'build away' the past (impoverishment, deindustrialisation), head for a similar modernist future that would erase social divides, and, this time, populate the city with cosmopolitan open-minded creative educated liberals.

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Chapter 3

Neoliberal Urban Policy, Aspirational Citizenship and the Uses of Cultural Distinction

Mike Raco

Abstract Drawing on the example of the UK, this chapter argues that the principal aim of neoliberal urban policy is to create less welfare dependent, more entrepreneurial, and responsible citizens through the establishment of new urban cultures and high-aspirational urban spaces. The chapter begins by discussing the work of Pierre Bourdieu and his concept of distinction. It then moves on to an assessment of British urban policy and the recent turn to a discourse of ‘aspirational citizenship’. It explores its uses as both a description of, and an explanation for, growing socio-economic inequalities in cities. In this way, the chapter argues, policy not only reproduces inequalities but also provides an individualised explanation for their existence and perpetuation. The chapter concludes by highlighting future research avenues and the value in re-thinking the cultural politics of neoliberal urban policy.

3.1 Introduction

the modern definition of social justice: [is] not just social protection but real opportunity for everyone to make the most of their potential in a Britain where what counts is not where you come from but what you aspire to become, a Britain where everyone should be able to say that their destiny is not written for them, but written by them (former Prime Minister Gordon Brown, 2010, p. 1).

This is a country of aspirational individuals who, given half a chance, want to get on and not simply get by ... [in] the age of aspiration (former Prime Minister Gordon Brown, 2010, p. 1).

During the 1990s and 2000s British urban policy has undergone something of a change. The core problems of unemployment and de-industrialisation that shaped policy responses in the 1980s have been gradually replaced by a new set of concerns with entrenched spatial concentrations of poverty in cities and the diverse interventions that are required to tackle them. Under the Brown and Cameron administrations the principal objective of urban policy has been to re-shape and

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re-forge the ‘low’ aspirations and self-esteem of ‘problem’ citizens. Inequalities and deprivation are not perceived to result from the broader affects of neoliberalism on economic and social life, but instead are seen to be a consequence of the dependent dispositions and subjectivities of citizens living in deprived, low aspirational spaces. A so-called *aspirations gap* has emerged in which some citizens (and whole communities) are condemned by their unwillingness to take responsibility for themselves and adopt neoliberal regimes of living within the ‘mainstream’ of civic society (cf. Collier & Lakoff, 2005). For some, urban policy is, therefore, becoming primarily concerned with intangible, *cultural* interventions that work on these aspirational deficiencies, rather than more concrete concerns with changes in employment, property development, physical infrastructure, and housing markets.

This chapter seeks to explain how such a politics emerged, how it operates, and what its wider affects are and might be. To do so, it draws on a collection of writings by the French Sociologist Pierre Bourdieu and his work on the politicisation and ‘double naturalisation’ of class characteristics and relational socio-economic distinctions, as a neoliberal political project. It examines his research on the ‘illusions of naturalness’ that characterise contemporary policy agendas, and how these become premised upon a collective ‘amnesia of [the] genesis in which they are rooted’ (Bourdieu, 2005, p. 55). This is then followed by a discussion of the notion of *aspirational citizenship* and its discursive political capacities to shape the core rationalities and boundaries of urban policy interventions. The argument is developed that this form of culture-led urban policy represents an extension of neoliberal principles of governance by institutionalising dominant negative imaginations of *both* individual subjectivities within ‘problem’ groups and the low aspirational cultures and spaces in which they live. For policy-makers their presence and persistence acts as a ‘brake’ on national competitiveness and generates additional costs on the welfare state and society. The chapter then turns to a discussion of recent urban policy initiatives and discourses and explores the broader utility and value of Bourdieu’s ideas. It concludes by outlining a research agenda for subsequent work.

3.1.1 Neoliberal Discourses, Urban Policy, and the Naturalising of Class Distinctions

Within neoliberal political discourses class becomes defined in both *ontological* terms, in that it is assumed that particular forms of distinction and difference exist between different groups in modern societies, and in *epistemological* terms with the rolling-out of methods, techniques, and policy technologies that aim to identify, categorise, and make visible such distinctions. The work of Pierre Bourdieu sheds light on how such processes operate both conceptually and empirically and there are at least four elements of his copious writings that inform the discussion of aspirational citizenship and contemporary forms of urban policy developed in this chapter.

First, one of Bourdieu’s key concepts is that of *distinction* or the socio-economic, political, and cultural processes through which differences between groups in society are created and reproduced. By characterising the tastes, subjectivities, and

(material) assets that are ‘typical’ of class groups, dominant social actors engage in a process of social stratification that has immense economic and political consequences. In a capitalist society powerful interests are able to determine what version of the world constitutes an inherent and only partially changeable reality and how individual and collective success and failure, in both cultural and material terms, are to be defined (see Bourdieu, 1984, 1990). Through the education system, and dominant representations of everyday distinctions, these categorisations not only write authoritative descriptions of the world, but also provide explanatory frameworks through which such realities can be explained and made sense of. This process of ‘double naturalisation’ generates a politics and social order in which there is a ‘silent and invisible agreement between social structures and mental structures’ (Wacquant, 2005, p. 20).

Second, Bourdieu also explored the ways in which concepts that are developed in specific contexts become appropriated and universalised by neoliberal interests to create new social categories of difference. This *power of universalisation and objectification*, Bourdieu argued, operates through the creation of ‘historical universals’ or pre-dominant ways of thinking that shape boundaries of action, judgements, tastes, and understandings (see Bennett, 2005, p. 4). For example, within the neoliberal policy literature the term ‘underclass’ has been redefined as a universalism even though its original meaning was somewhat different (Wacquant, 2005, p. 20). Gunnar Myrdal’s (1963) starting point in the 1960s was a critique of the polarising social effects of post-war American capitalism. He expressly called for more inclusive forms of economic development that emphasised community cohesion over and above individual, private acquisition. However, such meanings have been deliberately obfuscated by conservative writers such as Charles Murray (1984) and neoliberal policy makers, who have transformed the category of an ‘underclass’ into a universalised group whose characteristics are then used to explain the unequal realities that the term ostensibly and objectively describes. The critical insights of the capitalist system associated with Myrdal’s formulation are not only absent, but purposefully inverted, so that ‘underclass’ writing is used to justify welfare reform and the legitimisation of the inequalities generated by the capitalist system. For Bourdieu such examples highlight the discursive articulation of social power on the part of dominant interests and groups.

Third, the power embedded in such discourses becomes reflected in both explicit and implicit forms of symbolic capital, or what Bourdieu termed ‘symbolic violence’. This violence enables powerful interests to impose ‘legitimate divisions’ in social space and impose their simplified visions of the world onto others.¹ Symbols of class distinction carry significant socio-economic power but remain difficult to

¹ Bourdieu used the example of private education and the role it plays in reproducing class stratification, to examine how distinction is not only created through the formal procedures of educational attainment but also through a myriad of complex and subtle distinctions that are mobilised between different types of activities, procedures, and practices. Culturally-distinctive matrices of preferences are established in which school-based forms of class reproduction become shrouded by the discursive illusions of meritocracy and democratic openness.

identify and challenge in a tangible (political) way. It might be said, for example, that middle-class aspirations for what constitutes a high quality of life and a good standard of living become represented by a series of ‘symbols’ that, in turn, are used to categorise and classify different groups in relational terms. This is significant as ‘issues of redistribution are inseparable from questions of dignity insofar as social existence arises in and through distinction which necessarily assigns to each a differential social status and worth’ (Wacquant, 2005). Or as Savage and Bennett (2005) comment, ‘culture classifies and, in doing so, classifies the classifier’ (see also Grenfell, 2008). Perhaps most importantly, therefore, the strength of this analysis lies in its recognition of ‘the importance of economic privilege in capitalist societies without according it determinant causal efficacy...[and] the integral role of cultures of practices and taste in the structuring of class’ (Savage, Warde, & Devine, 2005, pp. 39–40).

And finally, Bourdieu argued that research should examine both *objective positions*, such as those set out in bureaucratic policy programmes and *subjective dispositions* or the day-to-day mental and practical inclinations and habits of individual subjects, citizens, and communities. These dispositions and what Bourdieu termed the *habitus* of day to day living, become embedded within a ‘practical sense of logic’ in which ‘people acquire a set of practical competences, including a social identity... which renders them largely incapable of perceiving social reality... as anything other than the way things are’ (Jenkins, 1992, p. 69). In Chomsky’s (2000) terms government becomes primarily concerned with ‘manufacturing consent’ and ‘regimenting the public mind’ (p. 20)² so that populations and individuals often unknowingly collude in their own domination. Subjectivity is mobilised and enacted through *fields* of action in which ‘agents are conditioned in their strategic behaviour by their location in the competitive, game-playing character of the field’ (Savage et al., 2005, p. 39). In short, an analysis of fields enables conceptual and empirical research to transcend the artificial boundaries between macro and micro-level explanations of change so that the ‘economic cannot be isolated, even analytically, from other determinants’ (ibid., p. 41). The state exists both ‘out there’ in terms of institutions and their resources and rules and ‘in here’ through the ‘imposition of state-sanctioned mental categories acquired via schooling through which we cognitively construct the social world’ (Wacquant, 2005, p. 17).

Such insights provide a powerful heuristic approach through which to analyse contemporary shifts in neoliberal urban policy. However, it is not a framework without limitations or criticisms. For authors such as De Certeau (1984) the core problem with Bourdieu’s focus on *habitus* and fields of power is that it underestimates the multiplicity of individualised practices and understandings that may exist within a

² Chomsky describes the way in which US President Woodrow Wilson’s post-war advisor, Edward Bernays, characterised the use of public relations as a vehicle for ‘regimenting the public mind every bit as much as an army regiments its body of soldiers’. Government, Bernays argued, should seek to bend political priorities towards the needs of ‘intelligent minorities’, such as business elites, through the ‘conscious and intelligent manipulation of the organised habits and opinions of the masses... to engineer consent’ (p. 20).

population. Efforts to change dispositions through policy are always internalised and interpreted by different subjects in unexpected and unintended ways. For Jenkins (1992), Bourdieu underestimated the ability of social actors to make sense of the (neoliberal) contexts in which they exist and to challenge and (re)shape them. And it is with these criticisms in mind that the remainder of the chapter will seek to demonstrate how, in countries such as Britain, there has been a fundamental repositioning of core policy objectives and priorities in ways that reflect the core dimensions outlined in Bourdieu's writings. It will argue that Bourdieu's work generates powerful insights into the *rationalities* of (neoliberal) policy, but is circumscribed without additional in-depth empirical work on the translation and internalisation of objective positions by predisposed subjects. The discussion begins by highlighting some of the core principles of urban policy in Britain before moving on to an assessment of the recent turn towards aspirational citizenship-building.

3.2 British Urban Policy and the Creation of Aspirational Citizens

3.2.1 *The Changing Form and Character of Urban Policy Interventions*

Ostensibly, urban policy since 1997 has prioritised support for Britain's less privileged communities and sought to widen equalities of opportunity for a wider range of social groups. A plethora of programmes have been rolled-out towards this broader end, many of which prioritise the mobilisation of *community* and active citizenship as core objectives.³ This focus on community has gone hand in hand with a discursive shift towards enhanced urban *sustainability* within policy programmes and recent initiatives that call for the building of sustainable communities, or the creation of mixed and balanced neighbourhoods in cities that act as functioning living spaces and places (see DCLG, 2007; ODPM, 2003). Far from advancing Bourdieutype discourses of distinction, policy at face value appears to have become more engaged, inclusive, and socially-oriented. The property-led development agendas of the 1980s are presented as a distant memory. Indeed, contemporary agendas are often justified as being distinct from earlier rounds of policy and their failure to generate lasting social legacies and benefits.

However, all of this has taken place against the backdrop of a creeping neoliberalisation of urban economies, planning policy, and regulatory systems. For at the same time as the government has ostensibly promoted community-building and sustainability on the one hand, its various programmes have facilitated the polarisation of incomes and differentials between the richer and poorer communities on the other.

³ The most significant of these has been New Deal for Communities initiative launched in 1998 that has spent over £2billion on projects in 39 of the most deprived urban neighbourhoods in the country, with indifferent success (see Lawless, Foden, Wilson, & Beatty, 2009).

The result has been that these inequalities are now greater than at any time since 1945 (Hills et al., 2010). Market-oriented urban policy measures, such as the failure to reform the planning system to curtail the power of major retailers and an over-reliance on planning gain measures to generate capital investments for community projects, have often made things worse for urban communities (Gallent & Tewdwr-Jones, 2007). At the same time, many places have witnessed the monopolisation of retail and service functions by a small elite group of companies, the destruction of commercial and non-commercial activities in many town centres, and the privatisation of public spaces and public services (see Minton, 2009; Simms, 2008). Labour markets have also been reformed in the name of efficiency and industrial flexibility and housing price increases have made housing increasingly difficult to access. It is poorer communities and individuals who have been at the receiving end of these wider processes of change, despite the government's rhetoric of enhanced community cohesion, empowerment, and sustainability.

Moreover, the discourse of community-led urban policy has gone hand in hand with a broader set of changes to the relations between states and citizens in which responsibility for action and policy outcomes has been gradually transferred from the former to the latter. This has been reflected by the shift towards, what Cochrane (2007) terms, an 'active social policy' in which social and welfare programmes have been re-aligned towards the needs of neoliberal competitiveness and the creation of new cultures of entrepreneurialism. This form of culture-led social policy seeks to work on 'the totality of the individuals' thoughts and feelings with reference to himself or herself as an object' (Rosenberg & Kaplan, 1980, p. 9). It aims to create, what Nikolas Rose (1998) describes as 'enterprising selves' with individuals expected to 'work on yourself, improve the quality of your life, emancipate your true self, eliminate dependency, release your potential' (p. 161). The creation of a healthy self is, however, dependent on work and material independence so that under neoliberalism 'work has become an essential element in the path to self-realisation, and the strivings of the autonomous self have become essential allies in the path to economic success' (ibid.). Policy interventions increasingly focus on 'the conduct of everyday existence [which] is recast as a series of manageable problems to be understood and resolved by technical adjustment in relation to the norm of the autonomous self-aspiring [subject]' (p. 151). These therapies 'forge alliances between the liberation of the self and the pathways to personal success, promising to break through the blockages that trap us into powerlessness and passivity, into undemanding jobs and underachievement . . . it makes us better workers at the same time as it makes us better selves . . . fulfil ourselves not *in spite* of work but *by means* of work'. In other words individual subjectivity has been transformed into a terrain of neoliberal intervention and therapeutic action.

This mobilisation of entrepreneurial subjects is being conducted through what Bourdieu would identify as a policy field underpinned by a series of dialectical relationships between social universalisations/cultural distinctions on the one hand and individual/collective dispositions on the other. This field is dominated by cultural definitions that shape the institutionalisation and politicisation of these relationships. As Wacquant (2005, p. 21) notes 'culture is always an instrument of vision

and division, at once a product, a weapon, and a stake of struggles for symbolic life and death'. Consequently, 'every relation of meaning is also a relation of force'. It is in this context that culture becomes an instrument of neoliberal urban policy that 'succeeds' if it can re-shape ways of living, thinking, and acting amongst deprived urban groups. It is this logic of individualised and collectivised responsabilisation that underpins contemporary shifts in urban policy and it is to these that the next section now turns.

3.2.2 The Field of Culture-Led Urban Policy and the Evolution of Neoliberal Rationalities

During the 2000s the construct of the aspirational citizen/community has come to dominate urban, and to a lesser extent welfare, policy agendas in England. An aspirational disposition is defined as a future-oriented outlook, focused on a desire for long term 'improvement' or 'betterment'. The existence of aspiring citizens is fundamental to the operation and reproduction of the capitalist system as aspirational individuals act as acquisitive consumers and enterprising subjects (see Appadurai, 2008). Neoliberal policy aims to generate the 'right' types of aspiration through the promise of performance-related rewards and individual fulfilment. They establish what it means, in cultural and material terms, to be successful, contented, and happy (see Ehrenreich, 2010). The power of these cultural interventions comes through the social judgements and distinctions they establish and the categorisations they construct. These, in turn, become institutionalised and shape broader resource allocations and procedures (see Raco, 2009) for a wider discussion of welfare reform). In short, their emergence reflects a growing concern with the *cultural dispositions* of problem populations, individuals, and communities.

The discourse of aspiration is therefore embedded in a cultural politics that, in turn, draws on specific geographical imaginations of the unequal distribution of cultural and economic capital. Policy has increasingly focused on the collective problems associated with *low aspirational spaces* and hard-to tackle forms of urban inequality. In other words individual aspirations are, it is believed, moulded by the negative *habitus* and practices encountered in deprived urban communities. In Bourdieu's terms, it is the inculcation and reproduction of a negative *habitus* that limits the life chances and mobilities of different groups, not the broader economic and social structures of capitalism in which they operate. Its replacement by a culture of positive aspirations, it is argued, can tackle deep-seated social and economic problems through the mobilisation and liberalisation of agency. In this way the discourse of the aspirant citizen becomes explicitly elided with social mobility through employment and entrepreneurialism. That is to say that cultural change, and the new dispositions that come with them, can provide an effective vehicle through which urban policy objectives can be realised. It is this logic that explains why a focus on aspirational citizenship provides such a powerful example of the spaces of interaction between (Bourdieuian) objectivism and subjectivism.

This has become increasingly significant in policy terms as one of the core rationalities for an aspiration-based agenda is that existing distinctions and differences between social groups are beginning to have a negative impact on the overall competitiveness of cities and regions across the UK. Within neoliberal economic logics they act as a ‘drag-anchor on our success as a nation’ as it is ‘economies with a highly-skilled and motivated workforce which will emerge from the downturn fastest, and be ready for the upturn when it comes’ (Blears, Hutton, Purnell, & Cooper, 2009, p. 5). The creation of aspirational citizens is thus seen as a springboard for economic resilience in the wake of a competitive, and highly globalised, neoliberal economy. It is hoped that new policy initiatives will ‘empower citizens and communities, shifting power, influence and responsibility into their hands’ (p. 10). Indeed, the ‘economic performance of cities, regions, and even the nation can be held back (or promoted) by the extent to which all individuals have the opportunity to contribute’ (DCLG, 2009a, p. 91). The emphasis however is clearly on ‘supporting market-based growth in all local areas and regions [as] an essential element of meeting national economic performance targets and ensuring the UK performs to its full potential’ (p. 89).

A recurring priority for policy is, therefore, the identification, targeting, and categorisation of these low aspirational spaces that, for the government, consist of,

concentrations of workless, low skilled and vulnerable people and localised cultures of low aspiration. This can manifest itself in a cycle of decline, with degradation of the physical environment, overstretch of public services, higher levels of crime, and poor education and health outcomes (DCLG, 2009b, p. 10).

These spaces are problematised *in relation to* high aspirational spaces (these core distinctions are outlined in Table 3.1) with their transformation critical to the effectiveness of policy as,

communities are vital in shaping people’s capabilities throughout their lives. They provide an environment within which people develop their aspirations and access the services and opportunities that can help them realise their potential. . . in some deprived communities, as well as economic disadvantage, lower expectations and low self-esteem can hold people back.

There is, however, a clear tension in the ways in which individuality is constructed within these discourses and in the development and implementation of cultural strategies. The individual is presented, as a tightly *bounded* actor, responsible for their own actions and independent from others. They take on the whole responsibility for their life narratives and the extent to which they exploit or fail to take advantage of opportunities (see Clarke, 2005; Sartre, 1954). This has been reflected in policy that seeks to pathologise individual behaviours not conducive to the functioning of the neoliberal city. Individuals are condemned or rewarded in relation to their own actions (see Herrick, 2008; Minton, 2009; Rodger, 2008). On the other hand, the boundaries of individualism are simultaneously seen as porous and open to external influences, cultural changes, and policy interventions. Perhaps more importantly the broader question of whether or not the dispositions and habits of those who live in high aspirational spaces *should* represent a policy goal in the

Table 3.1 Core policy definitions of low and high aspirational spaces

Characteristic	Low aspirational spaces	High aspirational spaces
Dominant habitus	Welfare-dependent	Welfare-independent
Socio-economic conditions	High concentrations of poverty and unemployment	High concentrations of affluence and employed workers
Environmental quality	Concentrations of dilapidated buildings, the absence of open spaces, high densities, high levels of poor quality public space	Lower densities, high quality open spaces, well-maintained public and private spaces
Demographic characteristics	Concentrations of low skilled workers, elderly groups, welfare-dependent citizens, BME groups. High levels of physical inactivity and poor health	Concentrations of young professionals in higher skilled and more secure employment. High levels of healthy citizenship

first place are not interrogated at all. They are still presented as a role model for others to aspire to, even though the economic and environmental consequences of their lifestyles and dispositions have had significant negative consequences and could be seen as fundamentally unsustainable (see Krugman, 2008).

There are also elements of what Bourdieu would recognise as *universalisation* evident here. Low aspirational spaces, and the citizens within them, are characterised in blanket terms as ‘problem areas’. There are clear links with crude, American-based conceptions of ‘underclass’ groups, in which cultures of poverty are presented as a fundamental barrier to individual and neighbourhood improvement (see for example, Murray, 1984, 1997). There is no requirement for redistribution from wealthier individuals and neighbourhoods to poorer. Instead, the emphasis is on changes amongst the citizenry of deprived areas to change the ways in which *they* think about themselves. Rather than challenging the status quo, such neoliberal policy discourses actively reinforce the *distinctions* between different groups and argue explicitly that certain life-styles and ways of living are better than others. Policy does not challenge these distinctions but seeks, at least rhetorically, to give certain individuals the economic and cultural means to traverse these boundaries.

It is this policy logic that has underpinned a wider shift towards ‘community cohesion’ programmes in urban policy that replace earlier, area-based forms of intervention. Disparate policy blueprints have been bracketed together under the umbrella of a *Connecting Communities* agenda constructed around a broader commitment that ‘in every community, in every corner of this country, people know we are on their side. No favours. No privileges. No special interest groups. Just fairness’ (Denham, 2009, p. 1). Related initiatives include *The Economic Case for Cohesion* (DCLG, 2009b), *Guidance on Meaningful Interaction* (DCLG, 2009c), and *Guidance on Building a Local Sense of Belonging* (DCLG, 2009d). What unites

these schemes is a core belief that within low aspirational spaces social cohesion has begun to break down, with significant consequences for economic competitiveness and social cohesion. The emphasis is on re-building the connections between individuals, thereby providing the social support mechanisms that will enable citizens with low aspirations to act more like middle class citizens, whose presence (and absence) is portrayed as a core policy problem.

The focus is particularly targeted on the ‘young’, a loosely-defined group that has been at the centre of policy debates over urban (dis)order and community change (see Helms, 2008). White Papers, such as the Cabinet Office’s (2009) *New Opportunities – Fair Chances for the Future*, now stress the importance of education and changing aspirations within this group as the basis for social, urban, and economic renewal. core objective is to ‘remove all the barriers, whether financial, cultural, or aspirational, to education’ (p. 7). The emphasis of policy should be on life-long learning because ‘young people’s aspirations – the goals that they set for the future, their inspiration and their motivation to work towards those goals – have a significant influence both on their educational attainment and their broader life chances’.⁴ It is this policy thinking that has underpinned programmes such as the *Inspiring Communities Campaign*⁵ of 2009 that targets action on urban communities in which,

young people fail to unlock their talents because of a lack of inspiration or practical support from their friends, families and communities. Sometimes a talented young person cannot get the breaks they deserve because the people around them fail to recognise their potential (Blears et al., 2009, p. 5).

The response is to,

invest in local schemes which will get whole communities behind the talented youngsters in their midst. We want neighbourhoods to take pride in the achievements of young people . . . with the aim of ensuring that no youngster with a goal goes unsupported, and that every young person can fly as high as their talent will take them (ibid.).

These programmes are premised upon simple definitions of self-esteem and self-confidence in which the neighbourhood is seen as the site of both core policy problems and solutions. As the Cabinet Office (2009) assert ‘communities play a vital part in shaping people’s capacities throughout their lives. They provide an environment . . . that can help them realise their potential’ (p. 91).

⁴ Such discourses follow a long tradition. Victorian commentators wrote openly about the concentrations of poverty within ‘rookery-like’ neighbourhoods in industrial cities and the ways in which destitution was perpetuated by concentrations of the wrong types of undeserving poor. In the 1960s authors such as Goffman (1963) highlighted the power of stigmas to reproduce existing social distinctions and differences (see also Harrington, 1962; Rolison, 1991; Wilson, 1980).

⁵ The Inspiring Communities Campaign is a cross-departmental, £10million programmes that will initially be targeted at 15 neighbourhoods in deprived areas, a figure that is likely to be expanded in the coming years.

Their 'principal outcome' is 'an improvement in the educational attainment of young people within the neighbourhood' (p. 11). In other words policy targets individuals and their lack of educational capital, aspirations, and skills. In order to be 'successful' individual citizens are expected to think and act like those in high aspirational communities but it is anticipated that their links to their localities will be so strong that they will remain in *situ* even if they change their dispositions and become more upwardly mobile. This underplays the documented tendency for mobility to increase with income and social class. This 'realising of potential' often therefore equates with enhanced spatial mobility and the creation of an escalator effect in which people leave a deprived neighbourhood and are replaced with others who are also suffering from disadvantage (see Beck & Sznaider, 2006; Sprigings & Allen, 2005).

In parallel to these programmes that work on citizen subjectivities, the rolling-out of an aspirational agenda is also playing a broader role in shaping the *built environments* of cities and the production of what are termed 'quality' places. As the government's *World Class Places* policy programme makes clear,

poverty in this country is not just about poor education, unemployment or low wages, and lack of opportunity. It is typically associated with poor housing and poverty of place . . . improving quality of place more generally can play an important part in reducing poverty and social exclusion (DCLG, 2009e, p. 5)

This 'poverty of place' is elided with spatial concentrations of the wrong types of buildings, the absence of green spaces, and the presence of dilapidated public spaces and infrastructure. Urban policy's role is to generate new forms of development that will bring about the wholesale change of such problem places in a 'sustainable' way. Its aim is to use the transformation of the built environment to affect change, a process, it is argued, that is 'truer today than ever before' as 'quality of life factors, including quality of place, appear increasingly important in attracting private sector investment and skilled workers' (p. 19).

The implications of this agenda for the form and character of cities is profound. The creation of high-aspirational spaces, and the gentrified housing and privatised urban environments that go with them, become lauded for their 'catalytic' role in changing the cultural aspirations of urban citizens (see Raco, Henderson, & Bowlby, 2008). In Bourdieu's terms, it is anticipated that the 'demonstration effect' and cultural capital they embody will inculcate positive thinking within problem communities. Citizens who can visualise what they do *not* possess, it is argued, will become more entrepreneurial and active in the pursuit of self-betterment and improvement. In this way the physical embodiment of inequalities in the built fabric of urban landscapes has important policy uses, for it justifies the mobilisation of property-led developments to regenerate cities; it gives a political and cultural rationale to changes in the physical environment; it shifts the locus of responsibility for policy affect from state agencies and employers to individual citizens; and it facilitates the rolling-out of an urban strategy that caters for the 'needs' of creative class workers and seeks to reduce socio-economic diversity in the city (see Atkinson & Easthope, 2009). In some ways there is nothing new in such approaches

and they represent a contemporary manifestation of the trickle-down policy logics rolled-out during the Thatcher period. The development of the London Docklands in the 1980s, for example, was explicitly and implicitly concerned with the generation of visible inequality as a vehicle for enhanced social mobility (see Imrie & Thomas, 1999). The spatial juxtaposition of different ‘types’ of individuals would, it was hoped, encourage problem individuals to adopt and learn the cultural practices of ‘successful’ and ‘creative’ individuals (Brownill, 2008).

However, as with regeneration projects in the 1980s, this type of urban policy is subject to significant limitations if not supported by other forms of investment.⁶ It can become an alibi for inaction and shift the focus of policy attention away from more tangible forms of intervention, such as training and education programmes, job creation activities, and/or the construction of social housing, to an intangible emphasis on cultural change as the primary mechanism through which improvements will occur. It is particularly ineffective in tackling persistent unemployment and underemployment within urban labour markets, where other types of support, such as job creation programmes, could play a much more important role in sustaining and improving community well-being (see Toynbee, 2004). The capacity of ‘cultural’ changes to bring about such fundamental reorganisations in socio-economic terms is ultimately circumscribed by the materialities of the economy and its associated labour and housing markets.

Such policies are also hampered by the simplifications and assumptions that they make over the cultural affects of policy discourses. The evidence from many British cities and elsewhere during the 2000s has shown that enhanced socio-economic divisions ostensibly generate community divisions, increased levels of criminality, and growing levels of discontent rather than creating forward thinking and positive aspirations (see Atkinson & Helms, 2007; Minton, 2009). The affects of inequality often de-motivate, dis-inspire, and undermine broader feelings of self-worth and aspiration, even in the terms defined by neoliberal policy-makers and strategists (Layard, 2005). As Rosenberg and Kaplan (1980, p. 9) note, ‘much of human striving represents an effort to achieve a satisfying self-concept . . . This involves not only cognitions and emotions but motives as well’ (p. 7). If this self-concept, or what McDougall (1932) defined as ‘self-esteem, or the sentiment of self-regard’, is undermined by policy interventions, rather than supported, then policy can negatively affect ‘behaviour, intention, perception, attention, valuation, or virtually anything else that enters the human experience’ (Rosenberg & Kaplan, 1980). And as recent work by Wilkinson and Pickett (2010) shows greater perceived and material equality is a key component of collective and individual well-being.

Perhaps more significantly, the rolling out of class-led visions, simplifications and distinctions universalises imaginations along class lines. There is little recognition or space within such discourses for the value of *alternative* aspirations and

⁶ For example, despite enormous public and private sector investment in the London Docklands since the early 1980s, unemployment rates in the neighbouring borough of Tower Hamlets have not significantly changed, nor have levels of deprivation and environmental degradation.

diversity in the city to be represented. The prevalence of low skilled workers and those who lack ‘creative’ skills is seen, in and of itself, as a weakness and a ‘problem’ to be addressed rather than something to be celebrated and promoted. The shift to an aspirational urban policy is part of a wider trend in which such workers and their employment become air-brushed out of imaginations, with places and cities presented as competitive agents, seeking to outperform each other in order to enhance economic competitiveness (see also Wacquant, 2008). The corollary of this is that there is little recognition of the changing labour market conditions effecting lower skilled workers or much desire to encourage programmes that support their employment and/or career progression. Indeed, under the Labour government, the opposite has been true with an expansion of contracted out labour, increased flexibilisation, and the collapse of the ordered career ladders that gave individuals from poorer social groups access to professions and social mobility in the post-war period (see Sennett, 2006; Wills et al., 2010).

3.3 Conclusions

This chapter has argued that neoliberal urban policy agendas in Britain are increasingly dominated by programmes and discourses that revolve around the creation of ‘aspirational citizens’. It has drawn on the work of Bourdieu and others to examine the ways in which these discourses have sought to shift attention away from divisive neoliberal labour market policies, and broader failures in the provision of welfare services, to a focus on individual dispositions and the collective inability of problem communities to aspire to the right forms of consumer-based social mobility. The principal aim of neoliberal urban policy is to establish new urban cultures and to create less (welfare) dependent, more entrepreneurial, and responsible citizens, living in high-aspirational urban spaces. It seeks to pressurise individuals to adopt more consumerist dispositions. It uses inequalities, and the distinctions that go with them, as drivers of change that work through the everyday lives and experiences of individuals. It is, therefore, a form of policy that carries a double purpose for it not only engages with the subjectivities of citizens but also justifies the property-led regeneration of urban environments on the grounds that new forms of unequal development will, in the longer term, bring about cultural transformations. It is this power to shape urban social, environmental, and economic policy through cultural change that makes this new discourse so appealing to policy-makers. It ensures that urban policy ties in with broader political agendas and projects founded on (unsustainable) consumption-based forms of economic growth, whilst enabling categorisations of people and places to go beyond the descriptive and become explanatory and prescriptive.

In conceptual terms the chapter has argued that the work of Bourdieu acts as a powerful explanatory framework for explaining these existing and emerging policy agendas, particularly his insights into the relationships between culture, inequality, and neoliberal governmental practices. The discussion sheds light on how agendas

are now characterised by processes of distinction and broader attempts to create new entrepreneurial subjectivities and forms of action. It draws attention to the dialectical thinking that shapes (neoliberal) policy-making, the ways in which individual dispositions are shaped, and how the 'objective' positions of state agencies and bureaucracies come into being. The chapter has also demonstrated that such insights act as a starting point from which a broader research agenda can be developed. It is important to assess, for example, the extent to which aspirational agendas actually influence the dispositions of individuals and communities and the broader cultures of 'low aspiration' that exist in specific places. The whole concept of cultural change is also, in itself, a rather nebulous construct, subject to significant variations over time and space and open to a range of influences, not of all of which can be controlled by policy elites and state agencies. Again, there is a clear research agenda here for subsequent work.

The rolling-out of these agendas also poses acute dilemmas for policy-makers and planners at metropolitan and sub-metropolitan scales. On the one hand, it can be used to justify a gentrification agenda that prioritises the needs of creative class workers and aspirational 'high-achievers'. If urban policy is concerned with increasing the numbers of such individuals, then these can be attracted from elsewhere through high profile urban developments. On the other hand, the limitations within such strategies mean that there may also be fewer resources for more intensive forms of welfare-focused urban policy. In the longer run the potential for enhanced social polarisation is increased, thereby making it even more difficult to tackle existing pockets of disadvantage. The temptation for policy-makers must surely be to focus on the needs of more creative groups and to find new ways of targeting them through urban policy, whilst using the rhetoric of aspiration to justify their inaction in relation to other groups.

And finally, the importance of the debates over neoliberalism and urban policy highlighted in this chapter have taken on a new salience in the wake of recession in the UK and elsewhere, and the longer term trend of growing inequalities within western cities (see Hills et al., 2010). As this chapter has argued, new forms of aspiration-focused urban policy have emerged, in part, because of the persistence of such inequalities and the perception that they now constitute a break on national and regional economic competitiveness. An expansion of aspirational citizenship is presented as a mechanism through which enhanced urban economic resilience and a 'bouncing back' of capitalist economies will occur. And yet, as this chapter has also noted, in the absence of strong welfare interventions, an aspiration-based policy seems likely to reproduce inequalities and shift attention away from the inequalities of neoliberalism towards less progressive, class-infused debates over the inability of those who do not aspire in the 'right' ways to succeed, and how policy should best discipline them. The discourse of aspiration, if followed through as a neoliberal cultural discourse, also has the potential to de-value and corrode the bonds that exist between individuals, communities, neighbourhoods, and even families by generating new social norms built around individual competitiveness and atomised, consumer-driven definitions of life-course successes and failures. And as Wacquant (2005, p. 20) reminds us, a heightened appreciation and understanding

of the cultural and political norms in which we are living ‘offer a fertile terrain for political interventions aimed at fracturing the doxic acceptance of the status quo and fostering the collective realisation of alternative historical futures’.

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Chapter 4

Contradictions in the Neoliberal Policy Instruments: What Is the Stance of the State?

Ayda Eraydın

Abstract In many countries the neoliberal policies caused the rise of the critique of progressive planning, ranging from arguments against spatial planning to variety of positions that accept some form of intervention in certain contexts. The changes in the planning legislation and institutions, although define the general tendency to cope with the interests of the global capital, are quite uneven and diverse. This paper aims to explore how the policies of neoliberalism and globalisation have affected planning system in Turkey, indicating that the agenda defined under the neoliberal policies was destructive in the Istanbul Metropolitan Region. Following the description of the changes in the recent past, three questions define the core debates of the paper. What is the possibility of attempting to develop spatial strategies if the neoliberal policies dominate economic development? Does increasing uneven distribution of benefits via deregulated urban land market can create a new awareness in the spatial regulation domain? Given the increasing confusions of planning rights and responsibilities, is it possible to redefine a new planning system which can cope control of public rights and the different interests and value systems increasingly differentiated from each other?

4.1 Introduction

Important changes are taking place in urban areas in this new era on the back of the growth of neoliberal economic policies. These changes are not limited only to the built environment and urban form, as important transformations are also taking place in the institutional set up, in regulations related to the governing of urban areas and in planning systems. Existing literature has defined the new understanding and the policies shaped within the neoliberal context as the major determinants of urban change, and strong focus has been on the spatial manifestations of the interests of global capital.

In this regard, the processes of ‘adapting to globalisation’ and the transformation of earlier forms of governance (Brenner, 2003; Jessop, 2000) are defining the new

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roles of cities and city regions; and in order to enhance their competitiveness a systematic restructuring of the economic infrastructure of urban areas has become necessary. Consequently, territorial competitiveness has become a new priority in metropolitan governance, resulting in the formation of entrepreneurial forms of governance in the urban land and property markets. This entrepreneurial approach, according to mainstream debates, is redefining the planning and policy instruments in line with the imperatives of global capital.

An approach that emphasises the spatial manifestations of market forces in the deregulated global economy provides a general picture and puts forward stylised facts, however this falls short of explaining the diversity of operations in different urban settings in this period of neoliberalism. A closer look at urban policies and practices indicates that the neoliberal perspective and everyday political operations are not fully consistent; and are actually rather confusing and sometimes contradictory to each other (Harvey, 2005).

Recent literature has attempted to explain these inconsistencies as an indication of the need to define neoliberalism as more than merely 'increasing the reliance of the market mechanism'. According to McGuirk (2005), neoliberalism is not a unified coherent project, but rather a series of complex and overlapping strategies that produce a hybrid form of governance. Peck, Theodore, and Brenner (2009) discuss the 'contextual embeddedness and path-dependency of neoliberal restructuring projects,' and emphasise the inherited institutions, traditions, and political and economic regimes alongside the past regulatory struggles, besides the global economic imperatives and the neoliberalisation of the economy and society. In addition, there has also been increasing concern related to the changing nature of neoliberal policies. Peck and Tickell (2002) claim that neoliberal policies have changed substantially since the beginning of 1990s due to emerging problems in socio-economic structures. Marvin, Harding, and Robson (2006), John, Tickell, and Musson (2005) and McGuirk (2005, 2007) discuss the need to focus on distributional matters in urban areas and local dynamics in order to explain why the neoliberal approach tries to find ways to activate the neoliberal project through everyday political operations.

A careful examination of recent debates, especially those addressing the changing nature of the neoliberalist agenda, reveals the importance of understanding how the state responds to both global challenges and local dynamics. Moreover, an observation of how local and central state institutions redefine their roles in spatial policies and planning offers insight into how the neoliberal understanding responds to contingencies in different settings. In fact, the changes in planning legislation and institutions, although defined by the general tendency to cope with the interests of global capital, had uneven and diverse consequences for planning practices. According to Gleeson and Low (2000) neoliberal policies and globalisation lead to a new geography in planning regulation at both national and regional levels, characterised by deregulatory and re-regulatory shifts, as well as the formulation of new planning instruments.

There are two opposing perspectives on the role and the interest of the state in urban areas. Globalisation literature concentrates on devolution processes and defines cities and metropolitan areas as autonomous units (Scott, 2001). The

devolution of the nation state and its decreasing role, however, does not mean that the nation state has lost all of its functions; as in recent years many nation states have declared their interest in enhancing the competitiveness of their cities and metropolitan areas, and have set in motion supporting measures to enhance their innovative policies. In this context, several metropolitan areas have been defined as ‘golden eggs’ – a source of competitiveness of the national economy – by the national government (McGuirk, 2007).

Literature from the 1990s and 2000s points to the sustained interest of different central government institutions in major metropolitan regions (Gordon et al., 2004; McGuirk, 2005; Salet, 2006; Thornley & Newman, 1996). Firstly, central governments accept that metropolitan areas are the core of national economic development, and try to play a part in the economic restructuring and revitalisation through different organisations. A comparison with international cases reveals the national distinctiveness of the responses to competition, which range from supporting new central government-controlled organisations to an integrated public sector approach, and to the development and marketing of the city (Thornley & Newman, 1996). Secondly, central state institutions try to retain control over certain activities, such as the transportation systems initiated by local authorities in major cities (Gordon et al., 2004).

Some recent applications in Turkey may be put forward as good examples of how strategies of central and local governments can be inconsistent and in conflict. While the central government transferred certain planning rights to the local governments, it sought to retain, or even extend, its privileges in major urban areas, especially in metropolitan areas. The central government desired to retain control of areas of increasing importance in the national economy and population movements. Moreover, both global and local capital holders also maintain an interest in urban areas, not as agglomeration nodes of consumption, but as the areas for possible property development. The relationships between these groups and state departments have led to the emergence of different policies, while NGOs and other interest-based groups seek to impose their concerns on the urban restructuring and define the policy instruments related to these processes.

This chapter discusses the main strategies and policies of the both central and local state institutions; and by drawing upon the experience of Turkey, the question of how their everyday political operations are sometimes inconsistent and contradictory to the principles of the neoliberal ideology will be answered. To this end, this chapter will begin by defining the changes in policies and governance systems, with a focus on their re-territorialisation. A deeper analysis of the changes in administration and governance practices will show how state institutions and practices have been reworked, reconfigured and reorganised; while highlighting that the actual changes are against the general understanding that neoliberalism makes the state or state institutions irrelevant. The main aim of this section is to answer the question of to whom, and for what purpose, are powers and responsibilities distributed. Secondly, the changes in the interest and concerns of the state on urban areas will be defined. A study of the implications of particular changes in legislation enables a discussion of what kind of new planning system has been introduced, and why.

Thirdly, the paper focuses on distributional issues, and investigates the relationship between the new planning practices and instruments and the income and wealth transfer mechanisms. The changing attitude towards disadvantaged groups and the state, which is pushing for a larger share of the gains from the urban and land property market, is just one of the issues introduced in this section. The main intention, however, is to discuss under what conditions this takes place, and how the central and local governments approach the issue.

4.2 The Changing Role and Policies of the State in the Neoliberal Era

In the last three decades, Turkey has undergone a significant devolution process, with the privatisation of certain government services and a re-centralisation of certain roles. The new policies applied for urban areas are in parallel to the transformations taking place in the modes of governance in Turkey. However, inconsistent policies and practices, together with different attempts at an ‘institutionalisation of exceptions’ show a marked contrast within the policy perspectives, coupled with a deep pragmatism and populism in the shaping of these policies, which contain ambiguities and inconsistencies, and have been the subject of increasing criticism in Turkey, initiating efforts to systematise the current system (Eraydin, Turel, & Altay, 2009).

4.2.1 Re-territorialisation: Complex and Inconsistent Strategies

Turkey adopted a developmentalist Keynesian policy from the 1960s onwards, but turned to neoliberal policies after experiencing a severe economic crisis. Subsequently, the 1980s were a turning point in the search for a new institutional set up and in the redefinition of the role of central government institutions. The economic crisis of the late 1970s negatively affected the resources of the state, which had difficulty in meeting the objectives of the developmentalist Keynesian economic policies. Since the 1980s, the central government has sought to share its rights and responsibilities with the municipalities, which continue to grow in importance in the political arena. The central government claimed that its objective was to decentralise some of the state functions to the municipalities, meaning the transfer of some rights and responsibilities to elected bodies at a local level, and the 1984 Local Government Reform was one example of this. In the following years, the liberalisation of the economy and integration into the global markets necessitated further administrative reforms, some of which were to appease international institutions such as the European Union and the International Monetary Fund.

Beginning from 1990s onwards, besides the important changes made in the economic system and the deregulation of the trade and finance systems in the previous decade, several important changes were introduced in Turkey. First, the decen-

tralisation of public administration became a government priority in Turkey; and three laws were adopted to create new mechanisms to facilitate the transfer of major spending powers to Special Provincial Administrations, Metropolitan Municipalities and other Municipalities, in addition to the Public Administration Framework Law of 2004.

Second, the new regulations redefined the roles of metropolitan governments in the provision of services, shifting the responsibility for education, health, and the protection of cultural and natural resources to local administrations, and leading to an increasing role of metropolitan municipalities against central government institutions.

Third, new financial regulations were introduced, giving local governments additional financial resources to allow them to carry out their new responsibilities. New legislation adopted in 2005 increased the resources of local governments; however, their main revenues still came from allocations from central tax revenues. Revenue sharing thus became especially important for metropolitan municipalities. The sources of the budget and regulations on the use of these resources clearly indicate that the state is still reluctant to give financial independence to municipalities, and still maintains its financial control of local governments (OECD, 2007). In other words, an evaluation of the new legislation indicates that the new reforms that aimed to transfer certain rights and responsibilities from the central government to local governments have not been supported by the re-regulation of the financial system.

Fourth, the Municipality Law introduced participatory processes in what has been hailed as the first step towards the active participation of different social groups. These principles, however, have not been fully implemented, and remain as initial efforts or showpieces.

Fifth, legislation was introduced to accelerate the privatisation of services and existing state enterprises, which obviously had important implications for the workforce. Moreover, since most of the privatised public enterprises had large plots of land and buildings in the city, privatisation also implied the transfer of land to private ownership.

The changes that have been introduced since the beginning of the 1980s modified the administrative structure to a certain extent, and defined the role of the different actors in the urban areas. It can be seen that urban practices have become increasingly the concern of affluent groups that have connections with foreign real estate companies. Different coalitions have emerged between these companies and local and central government departments, which have aimed to initiate new real estate projects and the entrepreneurial forms urban development processes, some of which were against the interests of the different social groups and the rights to the city. The main role of NGOs and professional associations, such as the Chambers of Architects and the Chambers of City Planners, in these newly introduced processes was limited to expressing their concerns and doubts on the projects and decisions of local governments that are being carried out in collaboration with large real estate developers.

Moreover, the new regulations redefined the principles of service provision. While the range of services to be provided by the local administration has increased, so have the concept of public services and public benefits changed. The privatisation of services was accepted as a new strategy to increase the efficiency and quality of services, while 'competition' has been also accepted as the principle of service provision by different institutions.

4.2.2 Re-distribution of Power and Responsibilities: For What and to Whom?

The implementation of developmentalist economic policies and welfare state principles has been difficult in a country that suffers from a shortage of investment capital. In particular, the metropolitan cities in Turkey, which have seen massive immigration from rural areas, became places where informal housing provision mechanisms were reproduced. Successive governments, while trying to deliver the necessary services and maintain institutions with limited resources, were unable to provide regular jobs or sufficient housing; and the 1984 Local Government reform was a small step in the devolution of the state that aimed at addressing this problem. Obviously, the governments that oversaw the worst economic problems were unable to initiate radical reforms to the administrative system or initiate a restructuring of the state, and instead searched for practical solutions. The main strategy was to cope with the new economic conditions and come up with solutions for the urgent social problems. This was a pragmatic approach to meet the immediate needs of local governments, but was not actually a scaling of the state, being rather an attempt to increase the capacity of the state to reorganise.

In the beginning, local administrative units, including those of the Metropolitan Municipalities and district municipalities, strongly supported the administrative reforms, since they wanted to increase their areas of action and sought freedom from the strict controls of the central government. Up until even the first part of the 2000s, the search for metropolitan and local administrative reform generated considerable support. Recently, however, the increasing number of amendments that provided the transfer of planning rights from local authorities to central government departments caused an overlapping of the rights and responsibilities of the local and central governments. This resulted in a waning of support for the new legislation among local governments amid criticisms that the central government was retaining, and in certain cases, even increasing, its control over urban areas.

NGOs are another group that has been discouraged by way the principles set out in different legislations have been put into practice, and their consequent exclusion from the decision-making process. The newly introduced mechanisms allow only for consultation with NGOs on certain issues, treating them as an information source to state departments, while their ideas related to urban areas are rarely taken into account.

4.3 State Interests and Concerns About Urban Areas: A New Dilemma

Market-based economic principles and land and property market dynamics have always been in the background of urban development policies and planning in Turkey. Before the 1980s, planning authorities attempted to allocate all the public services, land and property necessary for the supply of collective consumption goods, taking care to find a balance between needs of the market stakeholders and the public. However, beginning in 1980s, the existing balance changed in favour of the market; and what was more important was the change in the perception of the central and local governments related to their roles and responsibilities. Central and local government institutions primarily wanted to obtain a higher share from the increasing values of urban land, and to use the planning rights on urban areas to distribute the benefits of the rising land values. This attitude is clearly apparent in recent legislation¹ given the changes in policy instruments and the planning system in Turkey. These changes, however, are not systematic in nature and indicate reluctance by the central government to transfer planning rights to local governments. The shift of urban planning rights to different public institutions within designated areas led to fragmentation in the planning system and a decrease in the importance and role of the comprehensive planning approach in urban development. Subsequently, a project-led approach in urban development has become dominant in recent urban planning practices in Turkey.

Obviously, these trends are not unique to Turkey, but what they denote is a process that has accelerated with the restructuring of local economies under the pressure of the priorities imposed by global economic conditions. It is possible to observe the changes in the regulation mechanisms and legislation with respect to urban land and property markets, especially on planning and urban governance legislation, which enable 'new forms of property development' (Sassen, 1994). In different cities of the world, urban land and property development have become a matter of income transfer and are a means of wealth generation, obviously varying with respect to the existing characteristics of the land market.

The general policies of consecutive governments of the Turkish Republic since the 1980s fostered this new perception of cities, and legitimised it with the creation of new legislations and amendments to existing ones. The new legislations introduced new methods of land and property development, and new ways of re-developing the existing urban fabric by giving wider authority to a multiplicity of (public) institutions, while also cutting back on legislative restrictions and conditions.

¹ See Duyguluer (2006) for a detailed account of the relation of governmental policies and the changing urban legislation in Turkey.

4.3.1 Amendments to Previous Planning Legislation: The Reluctance of the Central Government to Transfer Planning Rights to Local Governments

Although the state has attempted to retain control of the main economic and spatial development roles, there has been a notable willingness to give more power and responsibility to local governments in some areas. Together with these changes, the planning system at a macro scale has undergone substantial changes. The expansion of Metropolitan boundaries, some of which coincided with provincial boundaries (Istanbul and Izmit), presented an opportunity to formulate a strategic framework for coordination between the Municipality and the Provincial Special Administration. It also enabled the transfer of high-level planning rights to certain Metropolitan Municipalities after 2004, which included the preparation and monitoring of the Regional and Strategic Plans, which were previously under the responsibility of the State Planning Organisation and the Ministry of Public Works. However, the increasing numbers of higher-level plans, besides the detailed plans prepared by different institutions, resulted in problems in the implementation stage in terms of priorities and the identification of strategic issues.

The new legislation (No: 3194) introduced in 1985 amended the Planning Code (No: 6785), which had regularised planning practices since 1956, and defined a new era in which ‘special exemptions’ were defined in order to assure the faster realisation of sector-based projects (Duyguluer, 2006). These new practices led to a relaxation of the binding nature of the development plans and a liberalisation of planning processes; and intended to provide for the efficient and fast implementation of plans and projects by removing ‘redundant’ official steps in their implementation. There was also a claim that they would encourage large-scale investments. This is evidence that the main concern of the government was economic growth, however the legitimisation of the different ways and kinds of exemptions created several problem areas. The distribution of planning powers to different authorities within the same area caused a loss of comprehensiveness in the overall planning process and created conflicts among the different planning authorities.

The concerns of the central government became increasingly evident with the advent of recent amendments to the planning legislation. According to the Law on Metropolitan Municipalities (No: 3030) of 1984, Metropolitan Municipalities should prepare annual investment programs as a basis for their budget, as well as a Master Plan for the whole area, and approve the lower level plans prepared by each district municipality or the municipalities of the individual settlements within the metropolitan area.² In line with the Planning Code of 1985 these lower level plans, or Implementation Plans, should conform to the Master Plan. However, in the last five years a series of new legislations have been introduced that amended the rights

² In a Metropolitan Area, in the first tier there is the Metropolitan Municipality, with district municipalities as the second tier. Besides these, there are individual municipalities that come under the auspices of Metropolitan Municipality.

and responsibilities of the Provincial Governments and Metropolitan Municipalities. According to the new law on Provincial Special Administration (passed in 2005), the preparation of Strategic Plans and the Performance Plan of a province is carried out by this organisation. In Istanbul and Izmit, since the boundaries of these provinces and the Metropolitan Municipality overlap, the Provincial Master Plan, which is a high-level spatial strategy plan for the provincial area, was to be prepared and approved by the Metropolitan Municipality (passed in 2004). Besides the Strategic Plan, the new regulations and rights given to different organisations (see Table 4.1) brought about a redistribution of rights and responsibilities to different authorities, and caused several problems due to the existence of overlapping areas of jurisdiction of the different authorities in urban planning practices (Duygulu, 2006).

The recently introduced amendments have had important impacts on planning. Firstly, they induced a clear shift from a centrally managed comprehensive planning approach towards a fragmented planning system. In fact, with the help of the amendments of the previous planning legislation and also the planning rights given to different authorities, the planning system became increasingly fragmented, and the role of the Planning Law, which had aimed to define a progressive planning system, diminished considerably in recent years. A closer look at Table 4.1 shows that certain planning rights in designated areas were transferred to the Ministry of Construction, the Ministry of Industry and Trade, the Ministry of Tourism and Culture, the Ministry of Environment, the Administration for Privatisation, the State Railways Authority and the Turkish Mass Housing Authority (TOKI), besides many other public bodies. These organisations have been granted the power to plan certain urban zones within urban areas, where the right to plan is mainly the domain of the municipalities. For example, while the right to plan Industrial Estates and Free Trade Zones within urban areas had been transferred to the Ministry of Trade and Industry and Provincial Administration in 2000, since 2003 the Ministry of Tourism and Culture has had the right to prepare plans for areas designated as Centres of Tourism or Cultural and Tourism Protection and Development Regions, whether inside or outside the municipal boundaries. The Privatisation Agency, a department directly under the supervision of the Prime Ministry, has also exceptional rights to plan and approve plans for the areas previously owned by state economic enterprises, without requiring consent from the local government.³ In particular, the rights provided to the Turkish Mass Housing Authority (TOKI) to plan and implement these plans are very important, since the selection of residential areas developed by TOKI accelerated the fragmentation of the urban development pattern and sprawl in almost all cities in Turkey (Duygulu, 2006; Tekinsoy, 2008).

³ An article was added to the Building Code (3194) stating that the right to plan and approve these plans for sites that belonged to public firms under the privatisation scheme (According to The Law on Privatisation 4046, 22.11.1994) is transferred from the Municipalities to the Prime Ministry Privatisation Agency.

Table 4.1 Recent legislation that increased fragmentation in planning by providing special planning rights to different central government institutions in the Istanbul city region

Date	The title of the law	Major field	Special plans/planning rights	The planning authority
12.04.2000	4562 Law on industrial estates	Industry	Plans for industrial estates	Ministry of industry and trade
16.04.2003	4848 Law on organisational structure and duties of the ministry of culture and tourism	Culture tourism	Plans for all scales in culture and tourism protection and development regions	Ministry of culture and tourism
01.05.2003	4856 Law on organisational structure and duties of the ministry of environment and forestry	Environment	Preparation and approval of sub-regional land use plans (environmental plans) ^a	Ministry of environment
24.07.2003	4957 Law to amend the tourism encouragement law	Culture tourism	^a Culture and tourism conservation or development plans ^a Land use plans for tourism centres	Ministry of culture and tourism
05.05.2004	5162 Amendments to law 2985 on the mass housing authority (TOKI)	Mass housing	^a Plans for transformation of squatter areas ^a Mass housing area development plans	The mass housing administration
27.04.2005	5335 law to amend several laws and decree laws	Urban land-privatisation	Plans for urban land and properties owned by State Railways Authority Renovation and rehabilitation projects	State railways authority develop plans; ministry of public works and settlement approve them Culture and natural assets
16.06.2005	5366 Law on the sustainable use of downgraded historical real estate through protection by renewal	Redevelopment		protection council with right to approve renovation projects to be implemented by special provincial administration or municipalities

Table 4.1 (continued)

Date	The title of the law	Major field	Special plans/planning rights	The planning authority
03.07.2005	5398 Law on arranging privatisation implementations and amending several laws	Privatisation	Plans for the public land and properties to be privatised	Privatisation High Council (PHC) – Prime ministry Privatisation Administration (PA)
19.07.2005	5403 Law on conservation and use of land	Urban development	Zoning plans and land conservation plans as the basis of the land use plans at different scales	Ministry of agriculture and rural affairs
22.03.2007	5609 Amendments to the squatter housing law	Illegally developed areas	^a Planning and approval of urban renewal and rehabilitation plans for the illegally developed areas ^a Specifying the building types and building materials	Transfers the former planning rights of the Ministry of Construction and Resettlement and Municipalities to the Mass Housing Administration

^aThis planning right is transferred to Greater City Municipalities of Istanbul and Izmit
Sources: Duyguluier (2006) and Tekinsoy (2008)

The interest of different public organisations in the planning of urban areas and metropolitan regions is in parallel to the neoliberal approach of the governments since the 1980s. This approach dominated the main amendments in the urban legislative framework which allow the ‘use’ of the city as an economic tool. Decisions related to urban development are evaluated as a resource for the generation of economy that can be distributed to different stakeholders. An examination of planning legislation shows the different ways in which the re-valuation of urban land becomes possible; with each serving for the advantage of a different interest and/or social group. It can also be noted that the new fragmented system is used by local decision makers to obtain both material and non-material benefits, such as political support; and as a means of stabilising the reactions of different groups, especially those groups whose interests are not fully being met.

4.3.2 The Outcomes of the New Approach: Increasing Government Intervention

The interest of both the central and local government in urban planning during the Keynesian period was based upon the provision of basic needs, infrastructure and services at affordable levels to urban dwellers, however this approach has undergone radical change in the neoliberal era. In the 1990s and 2000s Turkish urban policy has come to represent a good example of how the economic aspirations of neoliberal politics have influenced urban development. The urban property regime has been defined under entrepreneurial principles, but with increasing control and intervention by central state institutions.

As can be seen from debates around the plausibility of government intervention in the neoliberal understanding, this is not very surprising. Foucault in his Lecture 7 (Lemke, 2001) indicates that according to a group of liberals (ordo-liberals) the ‘state and market economy are not juxtaposed, but that the one mutually presumes the existence of the other’. In fact, what happens in Turkey goes one step further, with central governments over the last three decades trying to legitimise themselves by intervening in the urban economy and redistributing building rights to entrepreneurs, public institutions and the different social groups as well.

In fact, in the last decade the existing government began to understand the political gains that could be made in the urban areas and metropolitan regions, and became increasingly concerned with steering the decision making process, and even directly initiating various projects. The privileges given to different institutions facilitated the implementation of ‘urban projects’ and allowed the different central and local government bodies to benefit from the increasing economic gains from urban land. Within this model, central and local governments became forms of enterprises, whose main task was to support the competitive power of the economic actors and to back market-based operations of public institutions and enterprises.

The problems with this approach included the creation of an inefficient urban form, an unequal distribution of urban services, and a disproportionate redistribution of the benefits between property owners and non-owners. Urban value is usually

transferred to the already capital-owning investors and ‘powerful’ actors; and this situation generates tensions between the stakeholders working in the public interest and those aiming to garner maximum benefit from the urban rent generated under market forces. The urban areas thus became a battleground of different struggles around the question of ‘for what purpose and for whom does urban space exist?’

4.4 The State as a New Actor in the Distribution of Benefits of Urban Development

In Turkey, as central and local state institutions became forms of enterprises in the last three decades, difficulties were faced in serving the needs of disadvantaged groups. The lack of instruments to cover the needs of the urban poor, especially those that had migrated from less developed regions, has become increasingly crucial in the recent past. However, it would also be true to say that the state had problems reaching its objectives in the period of Keynesian welfare principles due to increasing demand for shelter and services, and the lack of financial resources to meet these needs. The rapid migration from rural to urban areas was the major reason behind the incapability of the state to introduce a successful social mode of governance. During the 1960s and 1970s, the amount of capital available for the supply of social housing and urban land was limited, resulting in a dualistic market structure in which informalities prevailed. In other words, even prior to the neoliberal era, the urban land and property markets faced significant problems that were marked by the growth of large squatter housing areas, especially in and around the metropolitan areas.

During the 1960s and 1970s, *gecekondu* (squatter) areas became a space in which informalities were reproduced and acted as a buffer mechanism in the absence of formal social security institutions and necessary public services. Although the *gecekondu* settlements were against existing regulations, municipalities and central governments had accepted the emergence of these areas as inevitable and tolerable due to their limited demand for capital investment.

In general, the subject of *gecekondu*s became an arena in which socio-spatial power relations were contested and compromises were negotiated. Throughout the 1970s, coalitions that formed grassroots organisations became more influential in the run up to elections; and mutual expectations of benefits (for *gecekondu* neighbourhoods to be legalised and for politicians to gain votes) increased populism in urban politics during these years. Although the inhabitants of *gecekondu* areas had different cultural and ethnic backgrounds and thus voted for different political parties, they showed a great deal of unity when pressing for their demands. In the following years, people that belonged to grassroots organisations were elected to city councils, thus becoming involved in local politics (Erder, 1997).

The social classes that were living in the planned/modern parts of the city were not against *gecekondu* areas and the provision of public services to them, since these areas were a major pool of labour for the growing industry; and providing

low-quality infrastructure services to *gecekondu* areas was the cheapest way of supplying labour to these new industries. In other words, the different social groups accepted the strategies of local governments, and the transfer of public land to these groups was approved in compensation to the people that lived in areas that were remote from the facilities of the modern metropolitan areas.

The economic and social conditions described above resulted in two main government strategies in the 1980s; the government decided to bring an impetus of growth to the economic sectors and provide opportunities to the income classes that had felt segmented both economically and spatially in previous decades, and the housing sector and construction was defined as being at the core of this policy. The government passed the law on mass housing and initiated several mass housing projects, starting in the major metropolitan areas. The Turkish Mass Housing Authority (TOKI), as a new state institution, was created in response to the growing demand for housing.

Mass Housing Projects unfortunately could only serve middle-income groups and their need for shelter in the urban areas; while for low-income people living in *gecekondu* areas, the Law on Regularisation of the earlier illegal housing areas was adopted, and ‘tall building rights’ were offered to *gecekondu* owners. This legislation was a turning point in the relations between the people living in *gecekondu*s, local decision-making bodies and the political parties, who were looking to attract political support from these people. It defined new building rights in the areas occupied by squatter housing, meaning a transfer of wealth and new income opportunities to certain groups, and a new way of incorporating these groups into urban areas.

4.4.1 Urban Plans and Urban Policy Instruments as a Means of Redistribution: Changing from Indirect to Direct Transfer

The regulation and re-regulation of the urban land market through different legislations has been quite important in Turkey due to the problems of the urban labour market and the inefficiency of social support schemes. The integration of the Turkish economy into the global market was achieved through the traditional method of manufacturing production. Employment opportunities were mainly low-wage, and sometimes informal, while new employment in highly skilled jobs stayed relatively limited. The large urban centres and metropolitan areas, as a pool of low skilled migrants, were deemed very suitable for these new activities, which necessitated such a labour market.

People living in the early squatter areas or in areas that were transformed from the squatter housing were able to live in these areas, and accepted the low wages offered by the different types of enterprises. Even in the periods of rapid economic growth they were able to improve their living conditions. However, problems in the economy and the crisis conditions negatively affected these people, and made it difficult for them to remain living in the urban areas. They became the main actors of social conflict in the periods of economic recession, making it clear that the governments had to develop policies with these people in mind within the market

mechanism. These internal dynamics forced governments to adopt different and sometimes conflicting strategies.

Firstly, in order to decrease the financial resources necessary for supporting the urban poor, the government sought to use urban regulations as an income transfer mechanism. One of the new urban development practices, initiated in the 2000s, was to transform the low quality or informal housing under the active management of public organisations. The Turkish Mass Housing Authority (TOKI), which had been created to supply new housing units for low- and medium-income groups, and became increasingly active in putting into operation the projects of the central government in urban areas. Legislations No: 5162 (2004) and No: 5610 (2007) transferred the right to prepare and apply rehabilitation and transformation projects to TOKI, and facilitated the implementation of these projects through amendments to the existing regulations. In such urban re-development schemes the HDA acts as a private enterprise, assigning apartment units (defined according to the size of the land) to land owners (some of which were *gecekondu* owners) in return of their land/property. The remaining apartment units are sold at market prices, giving some privileges to those who do not own a housing unit in the same city.

The housing and urban transformation policy has also been used to obtain the political support of disadvantaged groups, and to legitimise the neoliberal economic policies of the government. In fact, the urban practices and projects initiated by Turkish Mass Housing Authority have become a major factor in the legitimisation of economic policies.

While the reactions of certain social groups have been stabilised through the urban land and property regime, in urban areas with high population growth rates the distribution of the benefits of urban land and property markets to the new migrants has become difficult. These disadvantaged groups, which have been a source of conflict and violence since 2000 onwards, received special attention from both the local and central governments. Several new institutions and support schemes have been introduced, including the distribution of food and money in the unregulated immigrant neighbourhoods. According to a recent study (TUIK, 2009) one in seven families have been recipients of economic support, either from their families, relatives and friends, or from public institutions. Especially in 2008, with the deepening of the economic crisis, direct financial support for the urban poor became crucial; however, more important than the support received from the central and local governments was that provided by *cemaats* (religious congregations) (Yavuz, 2004) through the creation of autonomous networks for the association and dissemination of religious values and ways of life, which have become quite prevalent in these areas.

4.5 Conclusions

The experience of Turkey with respect to urban policies and planning in the neoliberal era opens up new areas for discussion, and these are important in showing how strategies based on a neoliberal understanding can take different forms.

First, it shows that deregulation and devolution are the two main policy areas, however these cannot be discussed with the help of stylised models, since there is conflicting evidence on the general assumptions of the neoliberal understanding (Peck et al., 2009). In the neoliberal era the state has not dissolved, but has rather gained new roles and functions. Hybrid forms of governance have emerged that are shaped by the opportunistic behaviour of both the central and local governments, as well as the demands of the different social groups. The role of the state as a regulating and intervening authority continues, but the reasons why and how these interventions take place has changed substantially.

Second, Turkey is a very salient example of the way urban policies and practices are used to support and justify the neoliberal economic policies, as well as to reduce opposition from disadvantaged groups to neoliberal economic policies. In the neoliberal era, as defined above, governments have begun to act as enterprises, passing several regulations to satisfy the low-income groups in a bid to justify their operations in the urban areas. The changes in legislation not only perceive urban land as a commodity, but also create the opportunity to use urban land development processes as a wealth transfer mechanism to certain social groups in return for political support. These changes, which define a new property regime, have been effective in bringing about a reconfiguration of the political attitudes of certain social groups, for example the most disadvantaged groups have become strong supporters of the policies shaped by the neoliberal ideology. These operations in urban areas, however, may still be insufficient to sustain political support for the government. The existing economic problems force both central and local governments to provide direct support to the people with declining income and quality of life.

A brief review of the changes in urban policies, practices and planning in Turkey shows clearly the organic relations between neoliberal economic policies and the new understanding and planning of urban areas. These relations denote also a new era of social relations and the relations between entrepreneurial groups and the disadvantaged. The state plays a facilitator role within this process, especially in the introduction of new rules and mechanisms in urban areas. The new schemes on the one hand help the legitimization of the operations in favour of large capital holding groups, while on the other hand, increasing the economic dependency of poorer households and leading to a bias in the participation of these groups in democratic mechanisms. For this reason the relational outcomes of the neoliberal planning agenda require further attention. Studies into how the re-regulation of urban land and the property market are used to pacify the urban oppositions may also bring a new understanding of the urban dynamics, which the mega-narratives have as yet been unable to explain satisfactorily.

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Chapter 5

Transnational Neoliberalisation and the Role of Supranational Trade Agreements in Local Urban Policy Implementation: The Case of the European Union

Tuna Taşan-Kok and Willem Korthals Altes

Abstract This chapter aims to display dysfunctional consequences of transnational neoliberalisation in cities where supranational organisations that aim to control and regulate the global trade create interventions in the local policy making. While urban development projects have been widespread throughout Europe since the 1990s, the local governments are confronted with the Single European Market regulations, which are aiming primarily at fair and transparent competition between the member states. These EU regulations create impediments for various forms of cooperation between the public and private stakeholders as they tend to be restrictive and inflexible. Within this general framework, this paper has a particular interest in the local land development dynamics of these projects. Claiming that the nature of the partnerships between public and private parties are strongly affected by the individual land and property market dynamics, which are not taken into consideration by the supranational regulations and agreements, the aim of this paper is to highlight these individual practices and to display the reflections from various urban development experiences in the form of public/private relations to the common European market regulations.

5.1 Introduction

Supranational institutional forms impose rigid disciplinary constraints upon nation states. The European Union (EU) provides the best example of how transnational neoliberalisation can affect the implementation of local urban policies. This chapter explores the general *competitiveness policy* of the EU to understand how it perceives

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the market-based economy as the best guarantee of raising the living conditions of its citizens. The EU is an unique project that is geared towards the establishment of the largest single market in the world i.e., it is an ‘association of sovereign states founded upon international law’ (Dougan, 2010, p. 180), but one in which many powers are left to the member states as national elites are unwilling to transfer all of their powers to the EU (Fligstein & Mara-Drita, 1996). The EU’s market principles and regulations seem to reflect many of those found in the individual countries owing to the differences in land and property development practices and institutional contingencies.

The transparency and fairness of general competition is presently guaranteed by the Treaty on the Functioning of the EU (EU, 2010), with many provisions that are directly derived from the original Treaty of Rome (EEC, 1957) and its specific provisions about *state aid*. Other specific regulations, for example on *public procurement*, are laid down in directives that national states must adopt into their national laws. Directives may have also direct legal effect in the member states, so parties that are unhappy about the way a directive has been transferred to national law may use this argument in court in their favour (Alter & Vargas, 2000; Börzel, 2006). The Treaty and a number of European Directives, with the aim of supporting fair trade and transparent competition, lay down rules and regulations that encroach on national development practices; and the European Commission (EC) is entitled to question such practices (Korthals Altes, 2006; Tallberg, 2002). In terms of public procurement rules in current practice, public works that are realised under planning obligations (i.e. the developer carries out infrastructure works on the land that they are developing, and transfers them for ‘free’ to the local government) are not put out to tender, as required according to European public procurement rules. Moreover, in the realisation of public private partnership projects (PPPs) the EC demands an open tender process to ensure a fair and transparent competition. Naturally, this process does not always sit well with local governments, as it increases land transaction costs, extends the development process, and may be a source of disagreement between the local government and private developers involved in the development process.

If a member state is not implementing European regulations in its own laws, or there are practices in the member states that are not in accordance with the single market, the EC can start infringement proceedings; and, if a member state does not react in a satisfactory manner, the EC may bring the case to the European Court of Justice (in Luxembourg) (Conant, 2007). National courts may also ask the European Court for a preliminary judgment in the form of an interpretation of European Law before they decide upon a case in which European Law is at stake.

The direct and indirect influences of these regulations on the regulation and implementation of urban development with brownfield regeneration and greenfield development, social housing or commercial mixed-use projects) are visible in many European cases, although the direct consequences of the European competition policy on urban policy implementation, which follows a third way track, are common knowledge neither among policy makers nor scholars. In particular, *state aid* and *Public procurement* rules have a direct impact on land development procedures and

on relationships between public and private actors. In this respect, it can be argued that national regulations and local processes of land development are strongly influenced by the regulations of transnational neoliberalisation, which are not necessarily designed for urban policy. Rather, the European Treaties focus on the arrangement of trade deals between public and private parties, no matter the type of businesses in which they are engaged, which excludes the special social, spatial, and cultural traditions of urban policy-making and implementation. Like many other agreements that aim to regulate global trade and limit the interference of governments in the free flow of goods and capital (Warner & Gerbasi, 2004), the European Treaties deal with trade activities, and especially the development of major infrastructures. However, when it comes to urban development, they also interfere with the regulation of certain urban development and regeneration projects. This is not necessarily a solely European problem, as Warner and Gerbasi (2004) have pointed out, as NAFTA is also eroding sub-national government authority in the legislative and judicial arenas (p. 858).

This chapter delves into the interference of international agreements that are signed between countries to ensure fair, transparent and smooth global trade in local urban policy implementation processes by focusing on the European project of creating a single market. Specific focus is on the practice of urban development and regeneration by PPPs, which are widely used as neoliberal planning and urbanisation instruments. PPPs have become very important in urban development in many different forms, in that they facilitate cooperation between the public and private agencies in the provision of urban services and property-led urban development and regeneration projects. The involvement of private sector actors in urban development (via coalitions, partnerships or informal dynamics of property-led development) and property-led development has drawn sharp criticism in previous literature due to the profit-driven nature of the property market. Swyngedouw, Moulaert, and Rodriguez (2002) refer to this intervention as a new form of governance, characterised by 'less democratic and more elite-driven priorities'. However, local governments around the world, being more and more dependent on their own resources, are quick to use these instruments to realise diverse projects, ranging from purely commercial to social housing and neighbourhood redevelopment. Naturally, the establishment and implementation of these partnerships is affected by local institutional traditions, as well as by national and international regulations and trade agreements.

It is argued that these international trade agreements directly (and sometimes indirectly) interfere with traditional/local social processes (and hence urban governance dynamics), despite the fact that they do not concern social (social policy, cross-border social issues, social democracy and justice, inequality, etc) or environmental issues, but rather concentrate on global free commercial activities. This issue has come under criticism from scholars within such wider frameworks as globalisation and the politics of scale (Swyngedouw, 1997); neoliberalism and state restructuring (Brenner, 1999; Jessop, 2002; Swyngedouw, 1997); or new regionalism (MacLeod, 2001), and in more specific frameworks that focus on the implications of trade agreements in specific policy areas, such as the reforming

of the state at national and sub-national levels (Warner & Gerbasi, 2004); environmental governance (McCarthy, 2004); or land policy (Korthals Altes, 2006; Korthals Altes & Taşan-Kok, 2010; Taşan-Kok & Korthals Altes, 2008). The chapter will use selected case study projects (Amersfoort-Vathorst, Haaksbergen and Heerenveen) that involved a certain social dimension among the market targets, cooperation between public and private parties, and local processes that are specific to Dutch land development. These projects have all been affected to varying degrees by the public procurement and state aid rules in the course of development. In each case, EU regulations interfered in local level actions, and the consequences were evaluated at a supranational level in the European Court. By emphasising the contradictions raised by these rules for PPPs in land development in the selected cases of the Netherlands, this chapter emphasises the constraints that transnational neoliberalisation created for local urban development.

The chapter will begin by showing how international trade agreements are linked to urban policy, and will then explore how neoliberalisation was experienced in the Netherlands with the increases in PPP and the decentralisation of local government policies. The focus will then turn to the interference of *state aid* and *public procurement* rules in the implementation of policy instruments in the formation of PPPs that have social concerns on the one hand, and market-led means on the other, and will conclude by looking at the implementation and realisation of large-scale projects, drawing upon selected cases from the Netherlands.

5.2 Globalisation and the Role of International Agreements in Local Urban Policy: The Case of the European Union

State rescaling is defined as a major neoliberal strategy (Brenner, 1998, 1999, 2006) that has undoubtedly been experienced by a number of countries across the world. Decision making takes places at different scales, and at each level, different forms of governance are established. International trade agreements are crucial in this neoliberal rescaling (Gerbasi & Warner, 2007; Warner & Gerbasi, 2004), and the result of this process is decision making at different interlinked levels of governance, in which fragmented levels of interferences may occur (Uitermark, 2006). Here, international free trade agreements may be taken as an example, under which global trade-targeted regulations interfere with the establishment of local forms of governance in urban development. Supranational regulation (EU), aimed at regulating international commercial activities, sets rules for local urban development, even in small-scale activities. While the consequences of this interference are not widely-known, it is not difficult to perceive some of the direct results, such as increased transaction costs in land development and redevelopment when international tendering processes become involved in regular PPPs to that end (Korthals Altes & Taşan-Kok, 2010).

International agreements influence local governance structures, in which national authority is reformed to accommodate global economic interests. A consequence

of this is that the primacy of national over sub-national governance is enhanced (Warner & Gerbasi, 2004). In fact, free trade agreements are negotiated by the national governments and set new governance standards and protocols all around the world to homogenise legal standards and national criteria for purchasing and contracting, thus limiting the flexibility of local governments (Warner & Gerbasi, 2004). A single (or common) market pursues common policies within its boundaries (Korthals Altes, 2006); but with international agreements like the North American Free Trade Agreement (NAFTA), Free Trade Area of the Americas (FTAA), Closer Economic Relations Agreement (CER), Southern Common Market (MERCOSUR), Asia Pacific Cooperation Forum (APEC), Central European Free Trade Agreement (CEFTA), European Economic Area (EEA), etc., countries to seek to promote similar conditions of competition in the domestic markets of the member states (Tavares de Araujo, 1998). The conflicts that arise as a result of these agreements and the domestic processes related to them have been covered at length in previous literature (Mann & von Moltke, 1999; McNally, 2001; Warner & Gerbasi, 2004). These conflicts and the domestic processes related to them are shifted to international courts and law. NAFTA, for instance, is an example of how a shift in the balance of power between sub-national governments and the nation state may occur (Gordon, 2001), and how governmental authority is being centralised in Canada, the US and Mexico upward to global and national levels (Warner & Gerbasi, 2004). NAFTA came into force in 1994, disseminating new governance features that have served as an example to the FTA and FTAA. The Methanex case was raised both in Warner and Gerbasi (2004) and McCarthy (2004) to display how a shift of power occurred due to the NAFTA agreement. Briefly, this case involved the discovery in 1995 of a high level of methyl tertiary butyl ether (MTBE), a toxic material, in the groundwater of an area containing some 10,000 Californian homes. In 1999, California banned the use of MTBE, which was presumed to be leaking from the gasoline tanks. The Canadian Methanex Corporation, who was a major producer of methanol, challenged the US under Chapter 11 of the NAFTA agreement, with the claim that California's action was an expropriation of its property, and demanded \$970 million in compensation (See McCarthy, 2004; Warner & Gerbasi, 2004). In 2005, the Panel in the NAFTA Chapter 11 case Methanex versus the United States issued its long-awaited ruling, rejecting finally all of the company's arguments. This case, though emphasising an environmental point of view, displays the extent to which the NAFTA agreement could create a legal basis at a supranational level to interfere in local regulations and actions.

The single market is a pillar of the EU (CEC, 2007), and the movement of capital ranks high on its agenda. European Treaties take precedence over national legislation, and restrict interventions by national governments in order to safeguard the competitive single market conditions. Article 101(1,2) of the Treaty on the Functioning of the European Union (EU, 2010) states that putting an entity at a competitive disadvantage as a result of a distortion of the competing forces within the common market, such as by agreement or special position, is not allowed. Article 101(1) of this o also states that aid granted by or through a member state distorts competition, and is incompatible with the common market ideal (see also Elsinga,

Haffner, & Van der Heijden, 2008). Although the single market rules follow a tradition to abolish tolls and tariffs that dates to the 19th century (Shiue, 2005), it is more than a free-trade zone, and more than a customs union (Dedman, 1996; Korthals Altes, 2006), in that there are also instruments and the institutional basis to ensure the establishment of a level playing field, which on the one hand exist in regional economic policies to ensure that weak regions are fit for competition (Wishlade, 2008), and on the other, sets rules to open up markets for European competition (Bennett, 2006).

Some single market regulations, such as those related to *state aid* and *public procurement*, influence national urban development practices. With the *state aid* rule, public sector contributions that affect private sector competition are not allowed. With the *public procurement* rule, public works that are realised under planning obligations (i.e. the developer completes infrastructure works on the land that they are developing and transfers them 'free of charge' to the local government) may create infringements due to the *procurement rule*, as these works are not put out to tender, as required under European public procurement rules. Moreover, in the realisation of PPP projects, the EC expects an open tender process to ensure fair and transparent competition. Naturally, this process is not always preferred by local governments, in that it increases land transaction costs, extends the development process, and raises disagreements between the local government and private developers involved in the development process (Taşan-Kok & Korthals Altes, 2008).

With the *state aid* rule, the EU treaty aims to prevent private profit on the basis of public interest; and with the *public procurement* rule, which is included in the Directive on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (EP and CEU, 2004), the European Parliament and the Council of the Europe aim at open and transparent competition. The Treaty on the Functioning of the EU states that 'any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market' (EU, 2010, article 107). The definition of state resources is wide, for example, tax abatements for specific areas are considered to be state aid, and this instrument cannot be used without prior consent of the EC. *Public procurement* was officially introduced in the European Union in 1971, and served as a model for procurement regimes such as the World Trade Organisation's (WTO) Agreement on Government Procurement (GPA) (Gordon, Rimmer, & Arrowsmith, 1998), and is one of the main regulations safeguarding the European single market. According to the public procurement rule, any project that is valued higher than the European threshold of €5,923,624 (as of 1 January 2004, with thresholds of €236,945 for services and €236,945 for delivery) should be opened to a Europe-wide tender.

The direct result of these EU single-market regulations is not clear for the policy makers, as many violations are not sanctioned (Gelderman, Ghijsen, & Brugman, 2006). The EC does not have the resources to follow every project in each European municipality to check whether they are compatible with the single-market

competition policy (see also Tallberg, 2002). If a municipality cooperates with a selected company under its own local tendering methods and nobody raises objections, there is a good chance it will never be noticed by the EC. However, a letter to the EC may be enough to start a chain of questions and answers between the EC and the national government.

It is evident today that transparency is a general criterion set under European Law for all government procurements, and may play also an important role in establishing whether state aid has been given. In the Dutch context, during the drafting of the new law on spatial planning the single market public procurement rules played an important role in the structuring of the law, though state aid rules were less prominent in the debate.

5.3 Dutch Neoliberalisation? Changing Urban Policy Context Towards an Ambiguous ‘Way’

In the Dutch political system no political party has ever had a majority vote, and forming a coalition is necessary for any party looking to enter into office. The political arena has long been dominated by Christian-democratic parties that have formed coalitions with parties either on the left or right since 1918 in order to form a government majority (Duncan, 2007). This traditional set-up of government was broken between 1994 and 2002 by two ‘purple’ cabinets, that is, a coalition combining social democrats and progressive liberals from the centre left, with a party from the centre right, i.e., conservative liberals. This new coalition was only possible after the polarisation strategy of the social democrats of the late 1960s, 1970s and early 1980s ended, as although this policy was successful in vote seeking, it was ineffective in office seeking (Green-Pedersen & van Kersbergen, 2002). This resulted in the following of a ‘third way direction’ at the end of the 1980s (Green-Pedersen & van Kersbergen, 2002, p. 517), marking the neoliberalisation of the traditional Dutch welfare state.

Both before and after these purple cabinets, a movement could be seen in which social democratic values were combined with the use of market-oriented instruments. From the beginning of the 1980s onwards, in particular the welfare state underwent radical change in the urban development policy, when governments began to implement market-friendly policies with more neoliberal instruments. One of the major elements in this change of policy context was a redefinition of public and private roles in urban development; and this radical change in the Dutch social housing policy is an interesting example of the shift in welfare functions. Starting in the mid-1980s, urban renewal policies began to be decentralised, and block grants were given to local authorities to pursue their own policies (Korthals Altes, 2002). Dutch social housing grants were abolished in 1995 (Priemus, 1995), and Dutch housing associations, which owned about a third of the housing stock, transformed into hybrid organisations that used market instruments to supply affordable housing. In all sectors that lay claims to urban space, market orientation is reinforced,

ensuring that all citizens have access to these services. In some cases, the provision of services has changed from giving support to individuals or households, to making sure the consumption of the service is possible. These were all signs of a restructuring of the welfare state, as the public sector directly interacts with market actors, and local governments act as an independent government above market agents, but are also active on the market itself in servicing and selling land in competition with development agencies (Korthals Altes, 2007).

The Dutch practice today shows that planning instruments can be used to steer the market, like urban redevelopment projects to be developed by market parties. Moreover, there has been an explicit national and regional policy to create a scarcity of housing locations so as to manipulate housing prices and make brownfield development feasible, as government funds have not been sufficient for the development of the sites proposed by the government (Korthals Altes, 1994). The specific Dutch way of land development in the welfare state was by 'direct development', that is, local authorities bought raw building land, serviced it and sold the land to housing associations, developers and end-users.

In the Netherlands, matching housing supply and demand locally has become an increasingly important focus in housing policy, while the diminishing welfare state functions indicate an enabling state that stimulates development rather than regulating it (Korthals Altes, 2007). This new urban policy context calls for a shift from a managerial to a more entrepreneurial, participatory model of urban politics, one that on the one hand promotes capital accumulation and a speculative mobilisation of resources; while on the other hand calling for more cooperation between public and private stakeholders in urban development (Taşan-Kok, 2008). As a result of such policy shifts, municipalities now play an active role in interacting with non-state actors, and although they are no longer at the centre of the decision-making mechanism, they act as an independent government above the market agents in servicing and selling land in competition and cooperation with private development companies (Korthals Altes, 2007). In the Netherlands, this policy shift reflected directly upon the provision of housing. While the financial ties between the social housing sector and the national government were dissolved, the responsibilities for adequate housing were devolved from the national to local authorities (Louw, 2008). Moreover, land prices for social housing were no longer prescribed by the national government, as used to be the case, and became a point of negotiation between municipalities and the now-independent housing associations, making the development of residential areas commercially attractive (Louw, 2008). In this new system the larger development agencies and local authorities are seemingly willing to continue with the practice of relational contracting (Korthals Altes & Taşan-Kok, 2010).

When housing associations started acting like developers in 2005, the EU Commission sent a letter to the Dutch government about measures that Dutch government should take to prevent state aid from leaking into activities that are performed in competition (Elsinga et al., 2008). The solution that was suggested was to make a distinction between commercial and social activities. This meant that construction, maintenance, renovation and possible sale of dwellings with unregulated

rents were to be regarded as commercial activities, and thus were to be tendered on the open market (Elsinga et al., 2008). The housing associations themselves started operating more and more outside the boundaries set by the system. In the case of a Maastricht housing association developing housing in Liege, 30 km over the Belgian border, a legal case between the State and the housing association resulted in prejudicial questions to the European Court of Justice as to whether a member state may limit the freedom of capital within the single market, and confine an agency that delivers services of general economic interest to investing within one member state (Hessel, 2008). The outcome of this case is not clear yet, but it has shown that a single market, as the freedom of the movement of capital throughout the EU, may interfere with national policies that prescribe that social investments must be done within the member state itself. It also indicates that using 'market style' methods to achieve social results may involve agencies seeking opportunities outside the boundaries of common practice.

5.4 Constraints for PPP Structures Due to the EU Competitiveness Policy: State Aid and Public Procurement Practices in the Netherlands

The Dutch government expects the public nature of contracts related to development obligations and plans to contribute to transparency in land prices and land-use policies. The proceedings, however, are not formulated to prevent state aid; and the central government does not give specific guidelines on how to use the instruments in law to avoid this.

Much more emphasis has been on the theme of public procurement in the Dutch regulations. Based on the Scala Judgement of the European Court of Justice and national case law, it has been acknowledged that land development contracts in which the owner of the land is obliged to carry out public works must be procured through official routes. Even when no money is transferred from the government to the land owner, the development opportunities can be considered as a pecuniary interest that the owners have in these works (Korthals Altes, 2006). Consequently, the idea that the local authority is collecting development contributions from the landowners to finance public works procured by the authorities is a way that can be followed in the land development law. The law leaves other options open, such as the owners themselves following the proceedings of public procurement based on a contract with the local authority. The idea is also that more transparency in the process of contracting, and the obligation to publish contracts, will help to improve compliance with European norms. Next to this impact on land development law, the central government has been active in the publication of reports and other publications looking at how to cope with Europe and its rules regarding land development.

Most of the conflicts that occurred in the Netherlands were related to tenders for land transactions in PPP schemes. As mentioned earlier, the most common practice

in land development has been the direct involvement of the municipality (as part of *actief grondbeleid*), in which the municipality provides the infrastructure, and finances it by selling the land to private developers. However, such direct development does not prevent state aid (Korthals Altes, 2006). The Dutch Ministries of Housing, Spatial Development and Environment (VROM) and Internal Affairs published a guiding document (VROM, 2005) to prevent confusion concerning the state aid rule when municipalities calculate low sale prices for construction land based on agreements with private parties. An advisory committee was established (Area Development Advisory Committee) as part of the policy plans of the Ministry of VROM, in the Spatial Planning document to stimulate area development in practice. They checked some model projects and concluded that collaboration with private parties was going fine, and that their involvement was too limited.

In PPP structures (especially in urban regeneration projects) the EC generally looks at whether the costs of the private partners are overcompensated by the public party; whether the procurement rules have been followed in the tendering process (if not, a detailed investigation will take place to see if overcompensation occurred); and whether the contractual arrangements between the parties were compatible with Community anti-trust rules (European-Commission, 2006a). Thus, in project development, a suitable collaboration structure is important. In the Netherlands, like many other European countries, some projects have faced substantial delays due to the EC's intervention in cases of overcompensation and unfair competition claims. The common form of state aid in land transactions in Dutch cases is the calculation of too low a sale price for construction land.

5.4.1 Amersfoort Case (Vathorst): Public Procurement and Consequences for New Town Development

The procurement rule is easier in practice. Any projects valued above the European-defined regulation threshold of about 5,000,000 Euro should be openly tendered at a European level; however, there are weaknesses in the implementation of this rule. First of all, the European Commission does not have instruments to follow every large-scale PPP project in each municipality. Although risky, if a municipality cooperates with a selected company using its own local tendering methods and nobody raises objections, the chances that it will never be noticed by the EC are high. Examples of this situation exist throughout Europe; however, as the Dutch case of Amersfoort has shown, should such developments come to light it may cause trouble for the municipalities and the involved parties. As explained in detail below, the Amersfoort Municipality established two development corporations in partnership with private parties. In 2005, when the project was already been well under way, the Amersfoort People's Party (*Burger Party Amersfoort-BPA*) chair Hans van Wegen complained to the EC that the Corporation's partnership with a private decontamination company (Sminks) was illegal, as there had not been an open tendering process.

The Amersfoort Municipality had planned a new residential development in an area called Vathorst in the mid-1990s on the basis of the VINEX-Agreement. With the decision of the municipal council (dated 21 April 1996) it was decided that the Vathorst area would be developed for future housing. In this project, various market parties had acquired land at the specific request of the local authority (Groetelaers, 2006). These were mainly construction companies, developers and housing cooperatives, including Wilma Real Estate, Bouwfonds Residential Development Company, Heijmans Project Development, SCW Housing Cooperation, Thomassen-Dura BV, Van Zwol Project Development etc. The municipality decided to establish a joint development company with these landowners, which became known as Vathorst Beheer BV. On 25 August 1997 the Amersfoort Municipality and Vathorst Beheer BV came to an agreement on the structure of the PPP and signed the partnership agreement. The Land Exploitation and Realisation Contract Vathorst (*Grondexploitatie- en Realiseringsovereenkomst Vathorst*) (GROK) was completed in June 1998 with the motivation of the municipality being, as explained in an official letter from the Dutch Ministry of Foreign Affairs to the European Commission (*date 16/03/2005, no. 2003/5274, C(2005)862*), to share the risks related to the execution of the land development of the Plan Area Vathorst between Vathorst Beheer BV and the private parties. The stakeholders that shared the land ownership in the planned area established two development corporations called OBV (*Ontwikkelingsbedrijf Vathorst CV*) and OBV Beheer (*Ontwikkelingsbedrijf Vathorst Beheer*), with the Amersfoort Municipality and Vathorst Beheer having an equal share in the ownership of the OBV Beheer. After the establishment of the OBV Beheer, the municipality (via the 100% municipally owned land development company *GE Amersfoort*, a partnership of the private landowners and Vathorst BV), with partner companies in Vathorst CV and OBV Beheer, set up the OBV as a commendatory partnership. Following these partnerships, the Amersfoort Municipality contacted another private company called Smink Beheer BV, who owned a piece of land in the planned area, to discuss mutual interests. The Vathorst consortium decided to make a separate deal with the Smink Company to clear the contamination from the land, and a partnership agreement between Smink and Amersfoort Municipality was signed on 25 January 1999. Smink was not only a landowner in the area, but was also involved in the infrastructure for refuse collection and storage, sorting of construction waste and ground works, water construction works, ground sanitation, etc. Smink's agreed task in the project was to decontaminate the polluted soil, and it was this agreement that triggered issues with the EC in 2005 after van Wegen raised his complaint.

The EC sent a 'default notice' voicing its concern regarding the tendering process of the project. The questions raised were not only related to how the projects had been commissioned to private parties, but also how building contracts for social housing had been awarded to local housing associations (Moolhuizen, 2005). One of the questions raised was whether or not the local authority, when setting up the consortium, had directly laid down a procedure for the awarding of public works. The EC also asked whether or not the work involved in developing the site, which the local authority had assigned to a development company set up for this purpose,

could be regarded as a public contract. The final question was whether or not the local authority or the company in question (Smink), as tendering agency, should have put the project for the decontamination of polluted soil out to tender.

5.4.2 Haaksbergen Case: State Aid and Consequences for Urban Renewal

Another interesting case concerning the state aid rule was in the plan for the Marktpassage commercial centre regeneration in Haaksbergen (a small municipality with 24,000 inhabitants), which was first initiated in 2002, but had experienced subsequent delays. In the beginning of the 1990s, the municipality had the intention of regenerating the deprived city centre with the creation of quality housing and commercial space. Due to the private land ownership in the area, the project was deemed too expensive for the municipality to carry out alone. At the end of the 1990s, six construction companies (including Rabo Vastgoed BV and five others that formed a company called Centrum Haaksbergen BV) joined forces and bought plots of land in the area (European-Commission, 2006b) as a private initiative, with the intention of providing apartments and commercial space for private users, with the public infrastructure to be handed over to the municipality. When the private parties realised that the project would not be as profitable as they expected, they asked the Haaksbergen Municipality for financial support. The municipality, counting on receiving financial contributions from the province, agreeing to cover the expected losses of the private companies (European-Commission, 2006b). A new zoning plan for the area was drawn up in 2002 by the municipal council, which received approval from the province in 2003. Meanwhile, in 2002 a municipal organisation, Leefbaar Haaksbergen, suggested to the Ministry of Internal Affairs and Relations of the Kingdom (BZK) that the municipal subsidies could be counted as overcompensation in state aid (Rooij & Stol, 2006). The public subsidy had been planned as a grant of €2.98 million from the municipality to the construction companies, including financial support of €453,780 granted by the province for the project, calculated as the expected project losses on the basis of the anticipated costs and revenues (European-Commission, 2006b). In October 2002 the ministry (BZK) decided that this could indeed be considered state aid, and blocked the Marktpassage plan, and on January 23 2004 a formal complaint was sent to the EC regarding the project. The EC announced the results of their evaluation in April 2006 in a commission decision, claiming that there had been different forms of state aid: in the form of the grant of the municipality and the province, as summarised above (€2.98 million); in the form of 35% coverage of potential payments resulting from claims for damages that the municipality was planning to award to the companies involved; in the form of the transfer free of charge to the construction companies of some plots of land belonging to the municipality (worth €233,295, but not evaluated by an external expert); and in the form of the vagueness of the price of the plots of land from the municipality to the private companies (whether the market value to be used or at the book value of the developers). After the evaluation, the EC's decision was that the

transfer of land free of charge and sale of plot of land to the companies did not constitute state aid, but that the grant of €2,984,000 and the 35% coverage of damage payments could be deemed to be state aid (European-Commission, 2006b), which postponed the development of the project even further.

5.4.3 Heerenveen Case: State Aid and Consequences for Local Regional Development

The final example of how the state aid rule affected land transactions in the Netherlands is from the town of Heerenveen in the Friesland region of the Netherlands. In November 1997, SCI-Systems Netherlands BV selected a site in International Businesspark Heerenveen for the construction of a factory for the assembly of PCs for Hewlett-Packard (HP). In March 1998 a private third party complained to the EC that the state aid being given was going beyond the regional-aid scheme. Apparently, the regional authorities had promised additional aid to attract investment in this region in order to compete with other potential sites in the Netherlands. In a letter dated 9 December 1998, the Dutch Ministry of Economic Affairs granted investment aid of 20% of the eligible investment costs of the project (about €5.67 million) to SCI under the IPR scheme (Regional Aid Scheme). Furthermore, SCI was also a major beneficiary of the 2000 Jobs Programme, which was drawn up by the regional employment office (*Regionaal Bureau voor de Arbeidsvoorziening Friesland*) with the aim of providing jobs for the long-term unemployed and disadvantaged groups. On the basis of the complaints, the EC demanded additional information from the Dutch authorities in March 1998, and received a response in January 1999 (European-Commission, 2001). The communication traffic and exchanges of information and opinion expanded over time, and since the new SCI factory was expected to be producing PCs by the end of 1999, the company established temporary facilities in Leek (about 30 km from Heerenveen) to carry out production.

After an assessment of measures, the EC declared (on 7/7/2001) that regarding the job creation aid, the investment was highly labour intensive, and that the proposed aid was compatible with the common market, provided that it and the investment aid together did not exceed the regional ceiling of 20%. The total aid was estimated at €6.6 million. However, the commission concluded that some of the aid already granted (about €1.5 million) was unlawful and incompatible with the common market (EU-Bulletin, 2001). This state aid involved the sale of industrial land for a price below market value, aid for the rental and renovation of the temporary building used for production, and aid for the financing of security services relating to that building. The land price was estimated by the local authorities first as €1.36 per m², and after a second evaluation, as €2.54 per m², but the EC decided the cost price would actually amount to €7.42 per m² due to the change in the land use plan. Besides the land price, the EC gave their opinion on the involvement of state aid in the following points: Aid with rent for the temporary facilities, €131,000; aid in connection with NOM's investment in the temporary

facility, €272,000; and security measures for the temporary facility, €353,000. The EC ordered the repayment of the state aid plus interest from the date on which it was granted. The SCI Netherlands B.V. manufacturing facility was finally moved to Heerenveen and opened on 10 May 2000.

5.5 Conclusions

With the global neoliberalisation project, several treaties between states have been signed to support the circulation of capital across the world, while welfare principles and priorities are replaced with market principles to support global trade. The EU is one of those institutions that aims to safeguard global competition; but what of the urban development processes that involve public and private cooperation? Can these processes be regulated purely with commercial acts and regulations? And if so, how does this influence local urban governance processes? In this paper it has been shown that local interactions are contested and distorted through the interference of the Single European Market regulations at a supranational level, which impacts the governance ‘capacity to get things done’ (Stoker, 1998, p. 24) at a local scale in the case of the Netherlands.

The Dutch case brings to light a number of contradictions in the neoliberalisation of public policy and its implications on urban development. First of all, central urban policy is not directly affected by the EU Treaties, however they do impact upon instrumentation, and create arguments on how to intervene in urban land markets. Although Dutch land development networks are constrained by Single European Market regulations, the Dutch nation state remains quite active in top-down urban policymaking; and thus, the goals or visions of the policy programme are not affected. In many other European countries the implementation of these rules has caused (or demanded) changes in local regulations, like in France (CEC, 2008) or in Spain (ECJ, 2008), perhaps more radically than in the Netherlands. Secondly, the European Treaties’ idea of regulating transparent and fair trade may be a way of preventing closed governance networks. Outsiders to these networks may call in European institutions to bring the influence of the Single European Market to break local networks open (Korthals Altes & Taşan-Kok, 2010). This is done, however, based on neoliberal conceptions. The increasing influence of neoliberal political-economic dynamics on urban development and the increasing involvement of private sector actors in urban development at various scales suggest the relevance of interference in state aid and procurement regulations. Thirdly, urban policymakers might not always understand European policy. As could be seen in the case of Heerenveen, local stakeholders may consider EU policy aimed at fair competition to be an impediment to the realisation of important regional employment opportunities.

Every now and then, the court cases being held against member states concerning infringements to the state aid or procurement rules are announced in EC press releases. The EC’s approach to the enforcement of rules is based on decentralisation, relying on objections raised by individuals before the national (and European) courts (Pachnou, 2000; Gelderman et al., 2006); and it is due to this very approach that

court cases against urban projects in PPP forms are on the increase. While state aid and procurement rules frustrate the establishment of local modes of governance in urban and regional development, some others, like ‘Services of General Economic Interest’ (SGEI) referring to public services, may play a role in structuring urban policies, as compensation may be granted to entities providing SGEIs (Elsinga et al., 2008). However, the Treaty on the Functioning of the EU (2010) states in Section 106 paragraph 2 that, ‘Undertakings entrusted with the operation of services of general economic interest (...) shall be subject to the rules contained in the Treaties, in particular to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them (...)’. SGEIs such as social housing and non-profitable bus services are not exempt from European competition law, and Bruhns (2001) and Bovis (2005) argue that public procurement will be used ‘to insert competitiveness and market forces’ within public markets to create ‘compatibility safeguards’ in this respect (Bovis, 2005, p. 109); or as Bennett states, ‘In essence, then, while government payments for public service contracts do not constitute illegal state aid, the Commission believes that this can only be assured if such contracts are awarded according to public procurement rules’. (Bennett, 2006, p. 958)

Archetypical SGEIs include obligations to deliver services like mail or electricity throughout the whole nation state under the same conditions and prices. In this way, the national government may ensure that public services and the pricing of those services in Paris are the same as in Limoges (Faludi, 2004), as long as the conditions of section 106 are met. The Amsterdam Treaty adds a European dimension to this by stressing that this has not only national importance, but also has an impact on the social and territorial cohesion of the Union itself (Bruhns, 2001), and does not change the conditions under which services may be provided. These conditions structure the use of market instruments to deliver public services in a way that promotes the emergence of a European market for the delivery of such services, i.e. they fit with globalisation movements.

Single market rules may structure neoliberal urban policies in Europe differently to how rules on the protection of ownership do, as is done by *Takings Clause* in the US constitution. In Europe, the European Convention for Human Rights sets common standards for the protection of property, access to courts, and the enjoyment of one's home, which have their own set of case laws in the European Court of Human Rights in Strasbourg (Ploeger & Groetelaers, 2007). These kinds of higher-order rules are related to the protection of the individual from the state.

The included case studies show that local options to interact with market agencies may be a violation of single market rules, and indicate that urban development policies that search for market-based solutions are structured by single market rules. This also shows that local agencies, as in the Amersfoort case, may play the European card if other ways to influence the local project are less attractive. The EC is accessible for very little cost, and may result in publicity that could also have an impact on the project itself.

The impacts on state aid and public procurement cases differ. The sanction on state aid is that this has to be paid back. The state must reimburse the aid, and the

EC maintains strict control of this. In public procurement cases the contract is nullified, but if the works have already been built there may be a limited impact on the relationship between the contractor and the government. For third parties, however, this may be open to litigation based on the law of tort. If cases happen at the beginning of the process, this may slow down building processes, as the procurement stage has to be repeated.

Researches into the impact of the regulatory agenda on creating a single market, such as in Europe, between WTO members, and third-way urban policies are limited in scope. Such a research would necessitate knowledge of the messy details of public/private co-operation in which there is a ‘troublesome gap’ between theory and practice (Sagalyn, 2007, p. 7). To bridge this gap, the authors of this paper believe it is necessary not only to look at cases that have drawn the attention of European institutions, as has been done in this paper, but must also look into the actual and potential impact these rules may have in practice. What may be learned from this on the way market-based instruments operate may be used for social purposes in the future.

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Chapter 6

Neoliberal Urban Movements?: A Geography of Conflict and Mobilisation over Urban Renaissance in Antwerp, Belgium

Maarten Loopmans and Toon Dirckx

Abstract This chapter maps new forms of contentious mobilisation around neoliberal urban policies in Antwerp, Belgium. Neoliberal urban policies are confronted with the uneasy task to match local competitiveness with collective provision and social cohesion. The upgrading of the built environment offers the opportunity to integrate both aspirations, but simultaneously provides people with a concrete focus for mobilisation. Building on Urban Social Movement theory, we identify 5 types of urban mobilisation, each with its own geography linked to particular types of urban development projects. Although our analysis reveals how neoliberal urban development projects spur strong grassroots reactions, these remain fragmented and do not form part of a broad-based urban movement worthy of the name. Neoliberal urban development projects appear too divisive for the local populace to provide a basis for broad based collective mobilisation.

6.1 Introduction: Neoliberalism and Urban Development

The effects of neoliberalism on city governance have been documented at length. Economic globalisation and the rescaling of state activity have created completely different contexts for the governing of cities. Neoliberal globalisation has reduced the impact of national political elites on the investment decisions of economic actors who more and more obtained a supra-national span of operation. This has also impacted upon the relationship between national and local states: In the 1960s, a ‘dual state’ (Pickvance, 1995; Saunders, 1979) seemed to arise, with a national wing operating as the guarantor of capital accumulation through the regulation of class relations in the production sphere, whereas a local wing operated more in the sphere of legitimacy politics and social control, trying to suit urban unrest by redistributive social policies (Piven & Cloward, 1977, 1993). The neoliberal state however does no longer guarantee the regulation of wealth creation on its territory

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and has cut grants and subsidies to local states for redistribution through collective consumption. This forces cities into an increased and more wide-ranging (even globe-spanning) interurban competition for economic growth (Cheshire & Gordon, 1996; Harding, 1997).

The opening up of interurban competition has pushed cities to take on a more proactive stance towards local economic development. Harvey (1989) characterises this renewed activity of the local state in investment policies as ‘urban entrepreneurialism’. Repeatedly, it is claimed how investments in the *built environment* play a crucial role for cities aspiring to be entrepreneurial, both to attract production, consumption and economic control functions (see also Hooper & Punter, 2006; Hubbard & Hall, 1998). This new role has pushed cities to make tough budgetary choices, and the reduction of welfare spending in favour of entrepreneurial spending has been widely recognised (Dikeç, 2006; Johnstone & Whitehead, 2004). However, as the social externalities of such an entrepreneurial approach have become more evident, the neoliberal project gradually transformed into more socially interventionist and ameliorative forms. Since the 1990s, *‘a deeply interventionist agenda is emerging around “social” issues like crime, immigration, policing, welfare reform, urban order and surveillance, and community regeneration. In these latter areas in particular, new technologies of government are being designed and rolled out, new discourses of “reform” are being constructed (often around new policy objectives such as “welfare dependency”), new institutions and modes of delivery are being fashioned, and new social subjectivities are being fostered’* (Peck & Tickel, 2002, p. 389).

These interventions could take a variety of forms. Whereas some authors have argued that welfare and collective consumption spending has declined in favour of more revanchist policies towards underprivileged groups (Dikeç, 2006; Smith, 1996; Wacquant, 2006), others have stressed how more socially ameliorative interventions have been introduced as well (e.g. Kazepov, 2005; Le Galès, 2002; Uitermark & Duyvendak, 2008).

Neoliberal urban policies are confronted with the uneasy task to match competitiveness goals with the provision of collective goods and ensuring social cohesion (Johnstone & Whitehead, 2004; Kazepov, 2005; Loopmans, De Decker, & Kesteloot, 2010; Uitermark & Duyvendak, 2008). Upgrading the built environment has become one important site where both aspirations can be pursued (Loopmans, 2008; Uitermark, Duyvendak, & Kleinhans, 2007).

6.2 From Urban Social Movements to Neoliberal Urban Movements

The neoliberal urban policy paradigm may make it more difficult to recognise the continued significance of political action and mobilisations around collective provision (Ward & Jonas, 2004 in Cochrane, 2007). However, as urban policy makers face the dilemma of choosing between collective provision and economic

competitiveness an interest in political mobilisations in cities around urban policies are still relevant. Nonetheless, urban mobilisations have changed under the impulse of a changing policy environment.

The urban mobilisations of the 1960s and 1970s initially enjoyed the attention of Marxist scholars. In their formulations, urban development is regarded as a socio-political process connected to the struggle over the control and orientations of an urban-industrial society (Castells, 2002, p. 391). Two interpretations initiated the debate: Lefebvre's concept of the 'right to the city' and Castells' focus on collective consumption.

For Lefebvre, the right to the city entailed the predominance of use value over exchange value in the production of the built environment. Capital's creation of urban space tends to homogenise space as exchange value and reduces urban space to a commodity, thus alienating, in much the same way as it does in relation to industrial production, the labourer from the space he inhabits. For Lefebvre the city is the place where difference lives and is mediated. In the city, different people, with different life projects and ambitions, must necessarily struggle with one another over the shape of the city, the terms of access to the city, the terms of encounter. Out of this struggle, the city as an oeuvre, as a collective project emerges (Mitchell, 2003, p. 18).

The expropriation of the city by capital and the ensuing dominance of the single logic of exchange value alienate urban space from the collective oeuvre; the spaces of the city are now increasingly produced for, rather than by us. What capitalist urbanisation meant was an extension of capitalist control over our everyday life beyond the limits of the work place, into programming our entire life rhythms and time uses.

For Lefebvre, the colonisation of urban space by capital fuels the struggles and resistance of the proletariat beyond the workplace, and re-orientates the focus of the capital-labour struggle towards the city. In and through these struggles the working class revindicates the 'right to the city', or, in other words, the right to urban life. The right to the city revolves around the practico-material realisation of the 'urban' place of encounter and a priority of use value over exchange value.

Castells on the other hand did not follow Lefebvre's humanist interpretation of urban struggles and proposes a stricter materialist argument. Urban struggles, Castells argues, revolve around the (State-) provision of services necessary for everyday life – the reproduction of labour through 'collective consumption' in the urban system. Consequently, class struggles in order to gain control over the redistributive functions of the State typically occur at the scale of the urban. As with Lefebvre, but in different terms, the urban functions as a system of reproduction and consequently, everyday life becomes a second front (workplace struggles being the first front) in the broader struggle between capital and labour. For Castells (1977), urban movements entail broad based mobilisation across class cleavages. Mobilisation is triggered by the fact that much of the production of use value, related to the social reproduction of labour, is taken up by the (local) state. This creates, for residents who are represented by the same (local) government, a collective target to address claims to.

In his later work, Castells (1983) retreats from this structuralist interpretation of urban movements and broadens his analytical framework to include cultural identity and political autonomy as key motivational factors of mobilisations, alongside collective consumption. Demands for *collective consumption* or, more generally 'urban use value', are connected to the politicisation of the reproduction of labour through state-provided collective consumption as opposed to the commodification of urban space in terms of exchange value. The assertion of local *culture and identity* forms a reaction against cultural globalisation and homogenisation – 'the transformation of spatial places into flows and channels' (Castells, 1983, p. 312) expressed through increased mass migration and international information flows through mass media. Finally, the demand for democratic *local political autonomy* is opposed to the tendency of technocratic state-centralisation and domination by the state. Like Saunders (1979), he affirms the inherently divisive, localised and strategically limited character of urban movements. He describes them as 'reactive utopias', that is, 'they are not agents of structural social change but symptoms of resistance to social domination even if, in their efforts to resist, they do have major effects on cities and societies' (Castells, 1983, p. 329). Although urban movements have changed considerably since the 1980s, Castells' analysis remains relevant. Miller (2006) claims that Castells' one-sided emphasis on collective consumption has failed to explain the multiple conservative mobilisations around individual consumption and exchange value by – often suburban – homeowners under neoliberalism. However, he asserts that 'analysing this shift in light of Castells' spatially sensitised themes of collective versus private consumption, communicative networks vs. one-way information flows, and territorially based self-management vs. centralised power has the potential to yield significant insight into the still poorly understood politics of neoliberalism, including the social movements that both promote and resist it' (Miller, 2006, pp. 209–210).

Indeed the transformation of urban social movements is not only characterised by processes of repression and integration (Pickvance, 1996; Pruijt, 2003), but also entails the development of new areas of mobilisations. Margit Mayer has been among the most prominent to analyse these shifts. According to Mayer, social and political changes have resulted in an expansion and differentiation of urban mobilisations in many directions, as the entrepreneurial agenda of cities has opened up new arenas of conflict (Mayer, 2006). Following Castells, she identifies three dimensions: entrepreneurial urban development projects, the expansion of political control and growing social polarisation connected to welfare erosion. Entrepreneurial urban strategies are often faced with resistance, from different points of view: either in the form of a defence of privilege, or from the point of view of social justice. Mobilisations around, for instance, quality of life, can contribute to the entrepreneurial agenda and be co-opted politically, but often, urban development pits neighbourhoods or resident groups against each other and spur reactions for a more equitable distribution of goods and bads. Secondly, the expansion of political control entails the co-optation of social movements as partners in governing social processes. Consequently, movements have become responsible for housing provision, social service provision, or economic development and

are to deal with the consequences of neoliberal urban development for marginalised groups. Participation in this sense is a way to manage the social costs of neoliberalism (to extend neoliberal control to neighbourhoods where the classical partners have little or no ‘feet on the ground’) and to impress market rationality in the minds of those living in areas hard to reach by other agents of global capital (Mayer & Rankin, 2002).

Finally, increasing social polarisation and the erosion of welfare rights have resulted in new movements protesting against social injustice. Many of those movements are regarded as detrimental to the image of the city and are either sidelined or repressed (e.g. Fraser, 2004). Resultingly, Mayer (2000) identifies five types of urban mobilisation.:

First, NIMBY groups or local defenders, are often oriented to the defence of narrow interests around issues of individual consumption. Secondly, mobilisations against new urban development projects protest against large scale investments in mega-events, urban renewal projects etc . . . of whom social return is often unclear or clearly absent. Thirdly, she identifies movements that are co-opted and now subsumed within the so-called third sector of alternative provision of collective consumption. Next, there are radical and autonomous movements that intend to remain distant from the state. Conflicts with these types of groups tend to increase as they emphasise the incompatibility of urban development goals with the rights and interests of some groups. Finally, marginal groups are increasingly appearing on the scene, mobilising and protesting against their repression or displacement through urban policies.

As Miller and Mayer have shown, Castells’ three urban social movement goals can be related to contemporary urban policy developments in order to assess potential areas of mobilisation. Our empirical focus in the next paragraphs is on neighbourhood action related to changes in the built environment under neoliberalism. Castells (1983) predicted that, when people no longer identify the sources of their economic exploitation, cultural alienation and political oppression, they will react against the material forms that introduce these experiences into their lives. Hence, when changes in the built environment become both the material and cultural conditions of economic development, it is most likely that these changes will provoke the fiercest reactions, especially, as Castells has shown, when the local state is strongly involved in these changes and acts as a focus for reaction.

Building upon Mayer’s framework, we can deduct the inherent contradictions and conflicts, and hence the potential type of mobilisation of various kinds of interventions in the built environment related to neoliberal urban policies. Six types of interventions can be discerned that are likely to incite grassroots contentious action.

First, cities develop interurban competition policies in three different ways (see Harvey, 1989):

1. Investment in production is attracted by providing new traffic and communication infrastructures and by (re)developing industrial land. This might create tensions about the quality of life for urban residents who live nearby planned or existing projects; moreover, tensions might arise around a lack of access to

decision making procedures as many of these often large-scale projects are developed either at a higher scale than the local, or are developed in public-private partnerships who equally try to keep a distance from local decision making procedures.

2. Investment in the built environment to attract consumers might entail state support for gentrification, the development of special consumption zones such as shopping malls or the ‘tourismification’ of inner cities, and the organisation of ‘flagship’ events (often in the cultural sector). Here identitarian conflicts might arise as gentrification and tourismification alter the social constellation and identity of neighbourhoods and the ‘new urban consumption’ entails a strong cultural selectivity (with the cultural expressions of some acknowledged and commercialised, and the cultural expressions of others depreciated and oppressed). Simultaneously, new conflicts over collective consumption may arise as gentrification might not only cause displacement, but also put increased strain on the housing market. Public investments in the quality of public spaces, public services such as libraries, schools, sanitation, etc. might no longer follow an equal distribution logic but will be targeted to those areas where they can support the attraction of consumption or gentrification.
3. Finally, to attract control and command centers, the development of business zones and support of the office market might increase conflicts, again by displacement of residents, by a reduced quality of life in surrounding neighbourhoods, about the lack of access to decision making and about the unequal distribution of costs and benefits of the projects.

Secondly, there are three ways in which cities can intervene in the built environment for the reorganisation of collective consumption and welfare policies.

4. In relation to housing provision, city governments might reduce investment in (the construction and maintenance) public housing, which might result in increased struggles over housing rights.
5. Urban policy makers might construct new ways of providing social housing, including public-private partnership constructions or community based developments. Again, this can incite debates and conflicts over housing rights, the selectivity of access and participation in decision making about housing provision.
6. Finally, city governments might also resort to revanchist policies of social control, which in the built environment results in the development of gated communities, CCTV or security zoning policies.

6.3 Neoliberal Antwerp

Antwerp, a medium-sized city with a population of 460,000 and home to one of Europe’s largest ports lies in the densely urbanised North-West European core area between London, Paris and the Ruhr-area. Being Belgium’s second largest city, Antwerp attracts significant international investment, mostly through its port

(second only to Rotterdam in Europe) and its position as a world centre of diamond trade and petrochemical industries (De Rudder, 2003; Vanneste et al., 2003). The city has a particularly large medieval core of about 10 km² and an inner ring of densely built up, 19th century working class neighbourhoods. Its early 20th century inner suburbs are largely contained within the administrative border of the city, but the city competes for income taxes from wealthy residents with a string of postwar suburban municipalities. Indeed, a strong socially selective suburbanisation process has increased socio-economic segregation, as is illustrated by the fact that the poorest district of the city has an average income per capita of about 55% of the richest municipality within the urban region. Today, the city of Antwerp has only half of the more than 900,000 inhabitants of the urban region.

Although hosting a major port, Antwerp is not a one-dimensional working-class city. Due to its role as a global diamond trade centre and its well-developed tourist and fashion industries, Antwerp has a rather diversified employment structure and as the historic capital of the Flemish national movement it has continued to attract the cultural, political and economic elites of Flanders.

The combination of a pluralist electoral landscape and a frail bureaucracy resulted in a weak but highly politicised governance field in Antwerp. Every party or even every politician tries to secure benefits for his/her own supporters, facilitating the infiltration and influencing of decision making by interest groups, lobbyists, and urban movements.

This political system has long sustained an almost clientelist system of urban policies focused on social welfare provisions. In the 1990s however, social tensions increased in deprived neighbourhoods leading to increased electoral pressure from extreme right wing parties (De Decker, Kesteloot, De Maesschalck, & Vranken, 2005). Simultaneously real estate actors willing to exploit the heritage value of the historical inner city and its adjacent 19th century docklands pushed for state supported gentrification projects. Both pressures amounted to a radical shift in urban policies from a largely social welfare oriented heritage towards a more neoliberal approach. The new urban policy discourse focused on 'opportunities' instead of 'problems', the prime goal being to produce 'a safe, attractive and vibrant urban environment' to be measured by its 'attractiveness to higher income groups'. The redevelopment of the built environment, under tighter control of the local state, now gets priority, both for reasons of legitimacy and more efficient coordination of urban development. Such an approach would be able to reconcile residents' claims for 'liveability' or use value with the quest of private investors for 'profitable opportunities' for housing investment (exchange value) (Loopmans, 2008).

The new policy mission was accompanied by new policy structures: In Antwerp, the supervision over the urban policy budget was taken away from the Social Affairs Alderman in favour of the Alderman for Urban Development and Planning. This move was combined with a number of organisational changes within the administration. The city's 'planning cell' was reinforced with young and creative professionals, as well as with an official city architect in charge of keeping the architectural quality of new constructions in check (Christiaens, Moulart, & Bosmans, 2007). Moreover, the local authorities established the semi-autonomous Real Estate and Urban Development Company Antwerp (*Autonom Gemeentebedrijf Vastgoed-En*

Stadsontwikkelingsbedrijf Antwerpen, hereafter VESPA). Its task was to facilitate closer collaboration with private real estate agents and investors in urban redevelopment projects (for instance by drawing some of its employees directly from private real estate companies). Through VESPA, the city of Antwerp finally found a vehicle to re-establish itself as an active and leading property investor. It combines the coordination of supra-local urban policy funds with the tasks to valorise the city's own unused patrimony (more than 900 buildings in portfolio, often at strategic locations, for an estimated value of 113 million euro; in addition VESPA rents out about 1,400 units in 2006). It develops its own building and renovation projects (155 buildings in its 2006 portfolio, 62 more being realised), and coordinates major public-private partnership projects (30 major projects, affecting a whole building block, in 2006) (AG VESPA, 2007).

Finally, there is a new agency for 'Integral Security', under the new Alderman for Integral Security. The agency was designed to work on the social aspects of urban development, but from a more 'policing' instead of 'caring' perspective – to underpin urban development strategies.

The Integral Security agency, together with a more community oriented local police and sanitation department; take on an increasingly pro-active approach towards street and window prostitutes, drug-addicts and illegal immigrants subject to rack-renting in slum housing (Loopmans & Van den Broeck, 2011; Stad Antwerpen, 2005).

More than by its organisational rearrangements, the city's neoliberal project is characterised by its material realisations. The city's increased power to coordinate local governance networks is revealed by the growing number of building projects with whom the city is willing and able to identify itself; since 2004, these are promoted under the campaign 'Antwerp, Building Site of the Century' (Antwerpen, Werf van de Eeuw). They are presented in a bi-annual publication with the same name, as well as on the city's urban renewal website. This website does not only proudly list the city's main flagship projects, but it also lists important transport infrastructure works, public spaces and minor projects focusing on housing renovation to stimulate middle class gentrification (see Fig. 6.1).

The city's entrepreneurial urban development policy has focused on three main issues. First, there is the attempt to retain its competitive position as a port and petrochemical production site, which has necessitated a number of major infrastructure works around the city. To guarantee cheap and easy access to the port area, a Mobility Masterplan was designed and a public-private partnership set up in 2003 to finance and coordinate its realisation (*BAM: Beheersmaatschappij Antwerpen Mobiel*). Its tasks involve the closing of the Ring road, creating a new train access to the port, and widening of the canal linking the port to the Liege industries, as well as provide better public transport to the city.

Second, Antwerp hosts only few international coordination functions not connected to port activities. Amongst those, the global headquarters of Agfa, the regional headquarters of Alcatel-Lucent and international diamond trade offices are most important. The upgrading of Antwerp Central Station to a High-Speed Train station connecting the city to London, Amsterdam and Paris, and the redevelopment of the adjacent office zones (which includes the diamond business district) have

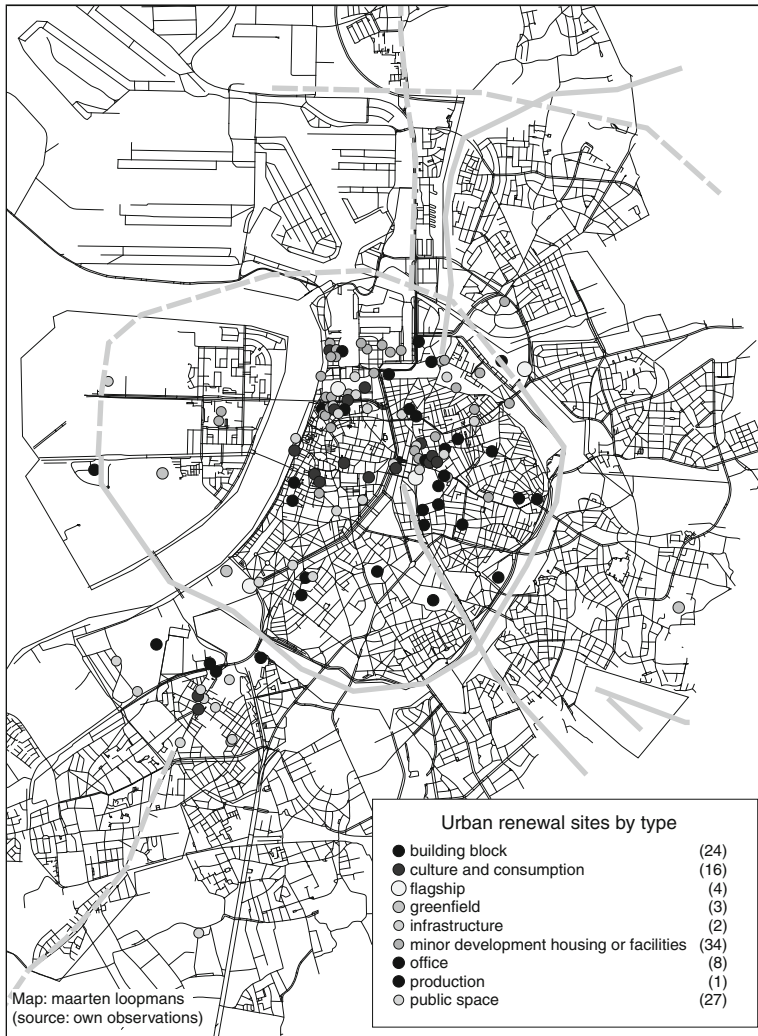


Fig. 6.1 Major urban development projects in Antwerp (2000–2008)

Source: Own research

contributed to efforts to retain and attract global control functions in the city. The expansion of the Antwerp business airport, of major importance for diamond traders, is another example. These measures have been predominantly of a defensive character, in reaction to threats of both diamond business and Alcatel to move out of the city.

Most importantly however, Antwerp neoliberalism has been characterised by a renewed focus on the consumption function of the city and the role it plays for

Antwerp in interurban competition. The Antwerp tourism sector aims to better exploit the city's cultural and historical heritage, and in recent years, various investments have been done: the development of a concert hall for medieval music; the renovation of the Opera Hall and its surroundings, the development of a new emigration museum linked to New York's Ellis Island, the construction of a pier for cruise ships in the heart of the city. Secondly, Antwerp is developing its position as a major shopping/fashion destination with the development of new shopping centres, a Fashion museum and hotels. Thirdly, and most importantly, the corner stone of Antwerp's policies is to stimulate the gentrification of the inner city. Indeed, 'liveability' in terms of attraction to the middle classes figures as the ideological glue between the city's use value for residents and its exchange value for international property investors. The tools used here are major investments to upgrade and sanitise public space and public facilities (which means providing 'attractive' spaces and facilities – e.g. CCTV, park, library, . . . –, while displacing 'unattractive' – e.g. social housing, health care centre for drug users, night time economy, . . .–). These measures are accompanied with investments, either directly by VESPA or in collaboration with private partners, in single buildings, whole building blocks, or even on large greenfield sites, to provide for middle class housing. The counterpart of increased investment in middle class residential comfort, is the fact that the city has decided, since 2006, to halt the construction of social housing until they can have a say in the selection of residents. If that right is obtained, social housing will only be permitted in areas where social housing is scarce or not yet available (Loopmans et al., 2010). Most of the projects are strategically concentrated at the fringes of already gentrified areas (Fig. 6.1). They follow a logic of state support for gentrification where private investment is risky but still promising.

6.4 Contesting Neoliberalism

The city's new urban development approach allows it to respond to both local resident groups' 'liveability' claims and the quest of private investors for 'profitable opportunities' for real estate investment. The 2006 local elections, in which the city's 'grand travaux' figured prominently (Janssens, 2005, 2006), suggest that the new approach enjoys widespread electoral support: for the first time in 30 years, the main opposition party *Vlaams Belang* did not make any electoral progress in the city (even losing a large number of votes in the inner city, gentrifying districts), whereas mayor Janssens' own social-democrats increased its share of the votes by more than 15%, winning a commanding 35% of the vote. This was the strongest result for the party since 1976. (Loopmans, 2008).

But taking the built environment as the symbolic spearhead of urban policy entails a risk as well, as it is through these concrete materialisations that people experience more clearly its contradictions and are likely to react. We analyze the various forms that neighbourhood protests have taken against new neoliberal urban policies since 2000 (see Fig. 6.2).

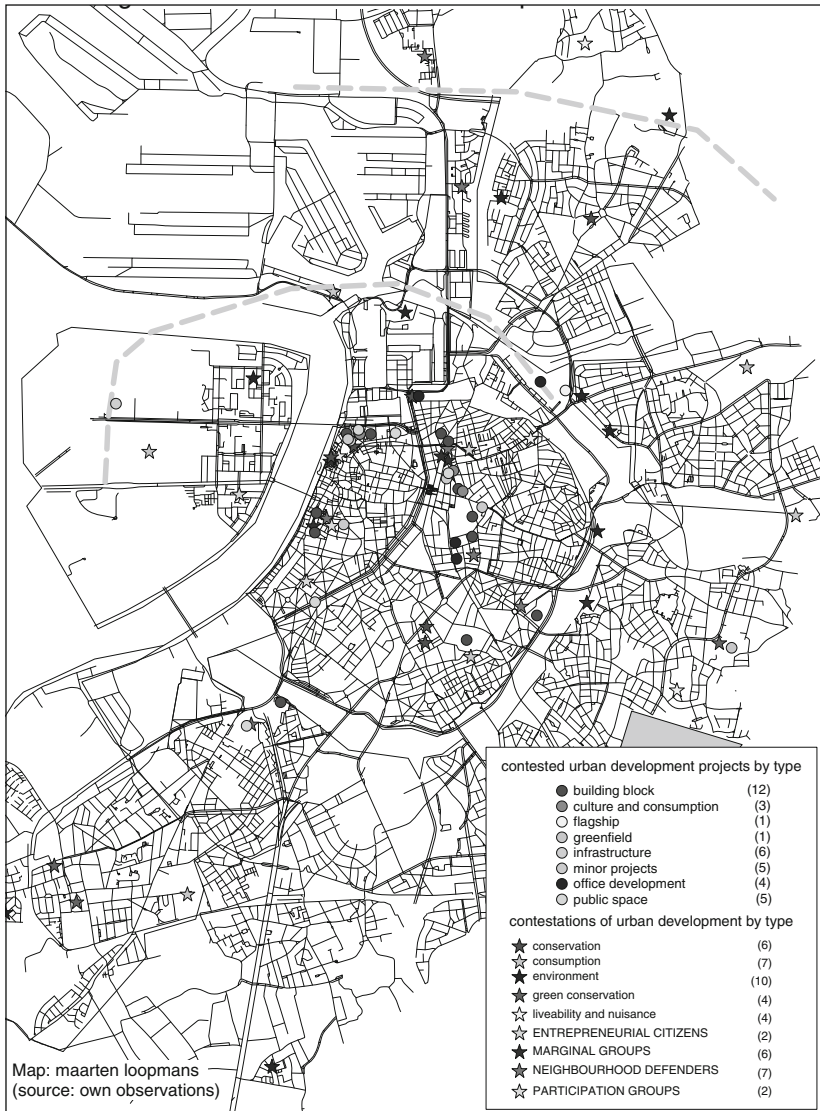


Fig. 6.2 Contested urban development projects and grassroots mobilisations in Antwerp 2000–2008

Source: Own research

Accounts on these action groups have been collected in the course of 69 interviews with politicians, city officials, community workers, community leaders and local journalists on community participation between 2004 and 2006. Additional internet searches via Google have provided complementary information. 54 protest

or action groups might seem a relatively moderate number, but only the (politically) most significant mobilisations, which have lasted for some time, or have been able to gain considerable attention (e.g. from politicians, in local journals, . . .), have been retained. Also, only mobilisations in relation to the built environment were taken into consideration. In the years after 2000, various urban movements have seen the light which can be linked to some degree to the new urban policy, mobilisations against racist violence, against poverty, and in particular around civil rights for immigrants, such as the AEL (*Arab European League*), the regularisation movement for illegal immigrants (countrywide), the movement for the right to wear veils, . . . but these have not been analyzed in the light of this chapter.

Inevitably, there is a degree of arbitrariness in this selection, but it has been necessary to make a meaningful typology possible. Four types of mobilisation can be discerned, relating to Third Way urban policies in Antwerp.

The first type concerns a number of one-issue, one-shot mobilisations, spurred by particular projects. According to the issues addressed, this type can be divided in 5 subtypes:

1. First, there are a number of groups concerned with the fact the new building projects are damaging or demolishing the historical heritage of the city. Indeed, as most of the projects occur within the city's medieval and 19th century and often involve the radical renewal of the built environment, increasingly, groups oppose against it and demand more careful reconstruction.
2. Secondly, a number of groups are concerned with an infringement of collective or particular consumption rights. These include mobilisations against new developments in a park, so as to safeguard the right to walk the dog without a leash or the preservation of certain sports fields, to protect prostitution zones from being reduced, but also mobilisations for social housing, public space, . . . on a specific site.
3. Third, mobilisation occurs around expected environmental nuisance. This is mostly connected to new infrastructural developments, such as the 'Oosterweel-link' which closes the ring-road, or to industrial developments, but also to mega-projects like the new indoor sports arena.
4. Next, groups mobilise for the protection of green space and nature against major and minor greenfield developments. For a long time, Antwerp has been developed according to the Copenhagen model of 'green fingers'; these fingers are now gradually filling up as the city attracts investors again.
5. Finally, a number of groups protest against the social marginalisation of their living environment and decreasing liveability as a consequence of particular developments in their neighbourhood: against the implantation of social housing, an asylum centre or brothels in their neighbourhood. (Loopmans & Van den Broeck, 2011).

Apart from these one-issue mobilisations, some groups appear more sustainable and are able to react to a variety of problems and issues with a coherent vision and approach. They have a longer lifespan and are able to mobilise around various

issues, often lending support to one-issue mobilisations to give them more strength if they are in line with their overall goal. Four different types can be discerned:

6. First, there are those groups who can be called, after Mayer (2000), 'local defenders'. They mobilise, first and for all, from their local basis, and their main purpose is to act collectively for the defence of the whole local population. Their motivation is mainly conservative: they want to maintain the neighbourhood as it is. They react against extreme forms of gentrification (e.g. the development of gated communities), as well as marginalisation (e.g. the increase of drug abuse or street prostitution), but always try to act in the interest of the whole population in the neighbourhood. With this goal, they will also call for more social housing or investment in new collective infrastructure, such as libraries, public spaces etc... In terms of Castells' triad, they are mainly inspired by a) socio-cultural identification with the neighbourhood as a place and b) the defence of collective consumption in their neighbourhood. The claim for more political autonomy (in terms of participation) for them is mostly instrumental, as it sometimes seems the only way to defend their goals.
7. Second, there are some groups who can be considered to react against their own marginalisation by these new neoliberal policies. Most notably, these include mobilisations of squatters, homeless people and of social renters. Social renters for instance have, after a number of local mobilisations, joined forces in a city-wide movement – *Platform for Antwerp Social Tenants or Platform voor Antwerpse Sociale Huurders* (PASH) to defend the rights of social tenants on a higher political scale. Similarly, the Homeless People Action Committee – *Daklozen Actie Komitee* (DAK) has developed actions across the city to support and defend the rights of homeless people. Some are operating more locally, against revanchist policies, against social displacement and other effects of gentrification in their neighbourhood (e.g. the African Platform, reacting against the social displacement of black residents for purpose of gentrification). Their mobilisation potential lies, first and foremost, in the way their collective consumption rights are threatened by the new neoliberal policy approach, but, as in the African Platform, includes issues of cultural identification. Demands for participation are limited, as most of these groups have given up calling on the local state which sees them as a hindrance to development.
8. Third, two groups can be considered 'entrepreneurial' citizens. Both deploy a more offensive strategy and explicitly tie in with the chosen urban development path of the city. They pressure the city to invest in gentrification in their area and are explicitly opposed to 'nuisance-producing' marginalised groups in their neighbourhood. This is the most 'progressive' group in its motivation: they want to change their neighbourhood and regard the city's neoliberal approach as an opportunity to do so. Their goals are linked both to the issue of cultural identification (they are white, middle class groups who are opposed to the influx of what they regard as 'underclass' and immigrants from the developing world to their area) and consumption (they are opposed against 'too many' collective provisions in their neighbourhoods, which would attract more marginal residents).

While the rising value of their property might also be a reason for demanding gentrification, this was rarely explicitly expressed and did not seem to figure as a prime motivation for mobilisation. They do not often call for participation and have a lot of trust in the state to solve the problems the way they would like it; however, they are very strong in lobbying at a high political level to make their case.

9. Fourth, some citywide mobilisations exist (*Straten-Generaal, Antwerpen aan 't Woord, Antwerpen in Actie*) which involve participants of the former groups, who focus on their rights to participate in the formulation of urban policies. Some of them take on a more collaborative stance towards the local state (*Straten-Generaal, Antwerpen aan 't Woord*); the third one is a vehicle for those who are disappointed in the city's participation approach and take on a more oppositional stance.

Although it is clear that neoliberal urban development projects have received a lot of reaction from the grassroots, these reactions remain fragmented and do not form part of a broad-based urban movement worthy of the name at the moment of our analysis¹.

There is a lot of flexible interaction between various groups, and the more sustainable actors support and act as a knowledge base for one-shot mobilisations. However, in terms of motivations or goals, neoliberal urban development projects appear too divisive for the local populace to provide a basis for widespread collective mobilisation.

Most explicitly opposed to each other are these two types of contentious groups which have emerged from the new neoliberal approach: 'Marginalised groups' and 'entrepreneurial citizens'. However, there are also conflicts between entrepreneurial citizens and neighbourhood defenders over for instance, gated communities (strongly opposed by neighbourhood defenders, supported by entrepreneurial citizens) or social housing projects (vice versa), especially where they compete for the same neighbourhood. Moreover, there have been explicit clashes or silent oppositions between sustainable groups and one-shot mobilisations in their neighbourhood pursuing different goals, and between one-shot mobilisations around the same project.

The few attempts to develop a cross-city movement have focused on participation only and do not discuss the essence of neoliberal urban politics as such; whereas this choice has been inspired by an attempt to overcome differences in opinion, this

¹ At the moment of publication however, Straten-Generaal appears to develop into a more coordinating, cohesion generating actor for a wider network of action groups, not only at the city, but even at the national level. Its struggle started off as an extraordinarily fight against the construction of a new highway bridge (they succeeded in halting its construction). It has now expanded into a much broader struggle for urban quality of life, environmental justice and more democratic policy-making. Although their evolution seems to contradict our analysis, it still remains to be seen whether they can fulfill the promise of growing into a movement on the longer term when the focus of an extraordinarily contested project disappears.

can also be considered a weakness, as other actors consider these initiatives as not substantial enough to engage with. Political autonomy is not a strong mobiliser in Antwerp, possibly because Antwerp's highly politicised decision making structure has opposed the development of a strong technocracy and has remained relatively open for grassroots penetration (Beaumont & Loopmans, 2008). Nonetheless, these cross-city mobilisations (Fig. 6.2) did have the effect of building and strengthening interpersonal ties between various local community leaders.

6.5 Conclusion and Debate

In this chapter, we discussed the potential of neoliberal urban policies to incite new grassroots mobilisations and opposition. Theoretically, there is ample potential for such new grassroots urban movements in neoliberal urban policies, both for its focus on visible material effects in the built environment and for its inherent contradictions, with its double focus on the city's use-value for the local populace, as well as its exchange value to strengthen its market position in interurban competition.

Table 6.1 summarises how Antwerp urban development projects have become the focus for contestation for different types of mobilisations neoliberal approach.

Major infrastructural projects to sustain the city's international economic position, greenfield development, and office development, have been fiercely opposed, because the 'use value' for the population is least recognizable and expected environmental nuisances (negative use-value) are greatest. They have mainly spurred one-shot mobilisations which focus on one particular project, although sometimes, neighbourhood defenders and marginalised groups have mobilised against particular projects when concretely affected, and groups contesting the lack of grassroots participation in decision making on these large-scale projects have connected to them.

Considerable less grassroots attention is given to flagship projects, and investments for (cultural) tourism and consumption such as new musea, shopping centres.

The more sustained mobilisations however, have focused on the transformation of neighbourhoods under the promise of gentrification. This has certainly been the most important issue for mobilisation since 2000, but it has also been the most divisive. It is around the issue of the transformation of their residential environment that residents have been pitted most strongly against each other. Marginalised residents, local defenders and entrepreneurial citizens oppose each other as they have different aspirations and hopes for their living environment and are differently affected by these projects. Although ad hoc collaboration exists and neighbourhood groups are linked via strong interpersonal ties, the various organisations do not share a common, overarching critique on the neoliberalism of the local and supralocal state.

As these groups have remained divided over the goals and effects of the new Third Way approach, they have never constituted a strong collective actor and it is hard to speak of a true Third Way urban movement.

Table 6.1 Third way urban development and contestation in Antwerp (2000–2008)

Third way urban policy	Changes in the built environment	Fields of conflict	Type of mobilisation
Improve attractiveness of port for industries and logistics	<ul style="list-style-type: none"> – Traffic infrastructure – Industrial land development 	<ul style="list-style-type: none"> – Quality of life nearby neighbourhoods (C) – Lack of participation (P) 	<ul style="list-style-type: none"> – One shot mobilisation against environmental deterioration – Neighbourhood defenders – Participation groups
Attract consumption: <ul style="list-style-type: none"> – gentrification – Shopping (fashion) – (Cultural) tourism 	<ul style="list-style-type: none"> – Public space and public facilities – Housing for middle classes – Greenfield housing – Consumption zones – Cultural infrastructure 	<ul style="list-style-type: none"> – Displacement (I) – Housing rights and access to public facilities (C) – Conservation of green areas or historical heritage (I) 	<ul style="list-style-type: none"> – Marginalised groups – Entrepreneurial citizens – (Neighbourhood defenders) – One shot mobilisation against the uptake of greenfield, around consumption rights and heritage conservation
Retain diamond business sector and other decision making centres	<ul style="list-style-type: none"> – Office building – Traffic infrastructure (business airport/HST) 	<ul style="list-style-type: none"> – Displacement (I) – Quality of life in nearby neighbourhoods (C) – Lack of participation (P) 	<ul style="list-style-type: none"> – One shot mobilisation against environmental deterioration – Marginalised groups – Neighbourhood defenders – Participation groups
(Welfare erosion)	Social housing moratorium	– Housing rights (C)	– Marginalised groups
Welfare reorganisation	Increased local political autonomy in public housing management	<ul style="list-style-type: none"> – Housing rights (C) – Participation (P) 	– Marginalised groups
Revanchist policies	<ul style="list-style-type: none"> – Gated Communities, – CCTV – Displacement of facilities for marginalised, nuisance producing groups 	<ul style="list-style-type: none"> – Cultural selectivity of repression (I) – Access to public investments (C) – Security, liveability (C) 	<ul style="list-style-type: none"> – Marginalised groups – Entrepreneurial citizens – Neighbourhood defenders – One shot mobilisations for liveability

Legend: C = Consumption, I = Identity, P = Political autonomy

Consequently, while mobilisation against various Third Way projects has been considerable, they have never constituted an important political threat to it and are easily played out against each other by central actors. It seems as if (see the citation of Castells at the head of this chapter) the strong experience of the project's variable material effects inhibit a consciousness of the structural exploitation, alienation and domination behind it. Rather than constituting a strong oppositional movement, they are to be regarded as individual 'comments in the margin' of a political and economic project which is and remains marked by its strong internal cohesion and effectiveness.

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Chapter 7

Social Entrepreneurship in Urban Planning and Development in Montreal

Barbara van Dyck

Abstract Urban development projects, or targeted spatial interventions driven by property logics and aiming at delivering social and economic benefits, became increasingly popular as a spatial planning device in the push for the creation of more competitive urban environments. This chapter shows how the transformation of a large-scale industrial complex in Montreal (Angus Technopolis), a special form of urban project, gave rise to a new distribution of roles and responsibilities between community organisations, union-related organisations, private business and public actors. It is argued that tensions arise between the expansion of the urban neoliberal agenda (through stimulation of a more entrepreneurial civil society); and the potential for new forms of collective action. The analysis of the emergence of a ‘not-for-profit developer’ in the Angus case suggests the potential for social entrepreneurship, incorporating broad socio-economic objectives in the delivery of urban spatial policy. However, it also shows the emergence of new constraints and the risk of instrumentalisation of community-based organisations when civil society groups take the entrepreneurial turn.

7.1 Introduction

In the course of the 1980s, Montreal – the largest city in the Canadian province of Québec and renowned for a strong civil society presence in its socio-economic development model – was going through an offensive of neoliberalizing strategic planning. The 1986 ‘Picard Report’, the outcome of a strategic planning exercise by a taskforce of 16 institutional leaders, called for private leadership, internationalisation and the development of high technology sectors at the metropolitan level (Klein, Fontan, & Tremblay, 2008). The report was produced moments before Fukuyama, as Goonewardena (2003) notes, rendered rationality based comprehensive planning redundant with his essay ‘The end of history’ (Fukuyama, 1989). With ‘The end

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of history' Fukuyama (1989, p. 4) announces the victory of economic and political liberalism as the 'final form of human government'.

Words such as these have been appropriated by neoliberal economists and have shaped, as may be observed in the above-mentioned Picard planning strategies, much of 'what is left of planning' (Goonewardena, 2003, p. 186). Spatial planning and urban development have been strongly and unmistakably influenced by neoliberalism in the last three decades (see Taşan-Kok, Chapter 1, this volume). Strong emphasis in urban development practice is placed on project-based planning, partnerships and the involvement of private business, as well as community corporations and organisations. While such community and non-governmental organisations have indeed been incorporated into governance arrangements and rhetoric on participation, nevertheless spatial planning and development under neoliberal hegemony has not been characterised by emancipation or inclusion of socially marginalised groups. Much of the literature shows how large-scale spatial projects, coordinated and implemented through planning interventions, have been used to manage people, and have reproduced power constellations and intensified social inequalities (Díaz Orueta & Fainstein, 2008; Lehrer & Laidley, 2008; Moulaert, Swyngedouw, & Rodriguez, 2003; Peck & Tickell, 2002). The inclusion of marginalised voices has not tended to be a priority in contemporary planning. On the contrary, these voices have often been silenced (Eugène, 2008). Based on these observations, it is relevant to question to what extent planning practices and development practices generate capacity for social change, when typically marginalised urban actors claim their right to participate and collectively build up new expertise and knowledge as city builders.

This chapter looks at the Angus Technopolis brownfield transformation project in Montreal to show to what extent social entrepreneurship succeeded in transcending 'business-as-usual' in an urban redevelopment project. It is argued that community organisations both lose and gain room for manoeuvre when, alongside a wide range of public and private actors, they become major partners in urban planning and development. While the community-based organisation partly succeeded in its aim of transforming power relations in the production of space, at the same time, its involvement in the project became an exemplar of how stimulating social entrepreneurship thereby neutralises the potential resistance that public and private development players may otherwise encounter. This can be explained through the contradictory logics driving social entrepreneurship (Defourny & Nyssens, 2008). Initially, when social change actors become pro-active players in the urban development context, they are forced to adapt to market principles and funders' requirements if they want to continue operating. As Defilippis (2004, p. 146) notes, these organisations cannot 'simply will away the market's imperatives [because they exist within the capitalist political economy], but instead must find ways to operate simultaneously in the worlds of profitability and social change'.

Before focusing on social entrepreneurship at the Angus Technopolis project in Montreal, the chapter first contextualises the emergence of urban development projects as part of changing spatial strategies in ongoing processes of neoliberalisation.

7.2 Emerging Spatial Strategies Under Neoliberalisation

During the late 1970s and 1980s, it became very clear that prevalent spatial strategies based on the idea of equal distribution of growth were no longer functioning in the old industrial core. Manufacture-intensive components of the industrial chain continued to relocate away from western cities. Financially better-off citizens moved out of city centres en masse, leaving behind urban cores that had been stripped of their economic and demographic capital. The demographic and economic crisis of the urban cores triggered the development of new organisational models, as well as the search for new spatial strategies. In particular, spatial strategies now stressed competitiveness and the promotion of economic development-from-below as ways of regulating uneven development (Brenner, 2004), an approach also referred to as urban entrepreneurialism (Harvey, 1989). Urban policy started to focus on entrepreneurial strategies to create urban environments capable of attracting mobile capital. The development of decentralised administrative authorities, special agencies, and place specific strategies aimed at reconcentrating productive capacities into strategic urban and regional growth centres (Brenner, 2004; Peck & Tickell, 2002).

The rationalist and hierarchical plan-making that had organised post-war growth could not deal with the lines of action and flexibility that were now required of spatial strategies (Ingallina, 2001). In a context of dispersed resources, spatial planning had to become a vehicle that could respond to strategic agendas (Albrechts, 2001; Gualini, 2006; Healey, 1997). Therefore, in addition to spatial planning as plan-making, zoning, permits and restrictions, strategic spatial planning approaches were developed. These were intended to enable the formulation and implementation of entrepreneurial strategies. Healey (1997, p. 245) refers to strategic planning as 'a style of governance that aims to change cultural conceptions, systems of understanding and systems of meaning'. Rather than just producing collective decisions, according to Healey, strategic planning is about 'shifting and re-shaping convictions'. Planning is thus referred to in terms of spatial strategies for the integration of agendas and complex decision-making processes, rather than plan-making in the strictest sense. The new spatial strategies are also linked to the establishment of a new planning culture that aims to intervene more directly and more selectively in social reality and development (Albrechts, 2006).

In Montreal, the spatial strategies introduced since the end of the 1980s focused on the mobilisation of communities and resources, innovation and creativity, to upgrade local assets with the aim of revitalising local economies and making them more competitive. Upgrades to the built environment, targeted marketing investments, and capacity-building programmes became the assets underpinning spatial strategies (Boudreau, Hamel, Jouve, & Keil, 2006). They marked a change with existing practices, and were introduced at a moment when the City of Montreal no longer seemed able to deliver the urban and infrastructural services it was supposed to provide (Boudreau et al., 2006). The new strategies aimed to integrate all government levels and a number of private actors in a double territorial logic of economic 'tertiarisation' or the replacement of industrial activities by financial services in the

inner city on the one hand, and localisation of knowledge economy enterprises at the metropolitan scale on the other.

Boudreau et al. (2006, p. 21) identified the 'legitimisation of the post-Fordist breakthrough by opening a new territory of action at the metropolitan scale' as the most important result of the strategy. It formed a turning point in development strategies. Whereas strategic reports in the 1970s stressed the importance of the city as a pole of development which, through multiplier effects, would lead to the development of the entire Québec Province, the new strategies were instead based on decreasing government subsidy for economic development, and focused on foreign investment, corporate headquarters, trade promotion, and free trade at the metropolitan level (Paul, 2004).

Whereas the Picard mission did not lead to immediate major provincial or federal investments (which was partly due to the acute crisis in the real estate sector at the beginning of the 1990s) it nevertheless set out a neoliberal ideological framework (Boudreau et al., 2006). Halfway through the 1990s more financial capacity became available to subsidise big urban operations as well as to apportion tax credits to strategic sectors, such as telecommunications. If some authors observe how the new middle class becomes incorporated into these new accumulation strategies (Boudreau et al., 2006; Graefe, 2007; Paul, 2004), other authors stress how previously unknown registers of action are built upon the existing culture of concertation (Klein & Tremblay, 2009; Mendell, 2002). The latter evince the strength of the social economy in Québec and show its institutionalised role in metropolitan governance. Strategic planning exercises and related spatial interventions are thus not only channels for implementing a neoliberal agenda, but at the same time, they create new political spaces for grassroots organisations to challenge existing governance structures and power relations.

7.3 Responsibilising Communities

Research has shown an evolution in urban movements (Mayer, 2000). Whereas urban movements in the 1960s, 1970s and also the 1980s were based on broad coalitions and politicised opposition, during the last two decades, social movements have gradually fragmented. Economic conditions and increasing marginalisation led to a new current of social movements that sought to professionalise and were willing to participate in the political bargaining processes and co-operate with the local state for joint delivery (ibid.). Programs of liberalisation during the 1980s led to an increase in private home ownership and the development of a share-owning democracy (Rose, 2000). Even squatters and support groups began to work on proposals for the transfer of squatted houses into public ownership, 'legalised' self-management and long-term leaseholds (Mayer, 2000). The emergence of progressive ecological political parties in many cities created openings in local state structures and tied community organisations to politics, but at the same time, it led to their increased fragmentation.

During the early 1990s and the last decade, in a context of political and economic changes, social service delivery has been partly transferred to community organisations or the third sector (Lipietz, 2001). Responsibility for service provision and job creation is thus devolved not only to lower level governments, quasi-autonomous organisations and private partners, but increasingly relies on institutions within civil society as well. Several authors (Amin, Cameron, & Hudson, 2002; Graefe, 2007; Hager, 2006) identified this trend of outsourcing responsibilities from the state to communities as a strategy of embedding neoliberalism, commonly referred to as Third Way politics.

According to Rose (2000) the ideology of Third Way politics implies a view on citizens as 'ethical individuals' of responsible communities. This view of visualising society, in which citizens are neither conceived as 'rational individuals' (as they would be under strict liberalism), nor as 'social human beings' (as they would be under traditional conceptions of the welfare state) has consequences for the principle by which solutions for political problems may be generated and legitimised (Rose, 2000). It points to mutual obligations between a government and its subjects. The former must 'provide the conditions of the good life; the latter must deserve it by building strong communities and exercising active responsible citizenship' (Rose, 2000, p. 1398). Consequently, in this community-oriented approach of urban development politics, a tendency exists to focus on the local community simultaneously as subject and object in regeneration efforts (Hudson, 2005). The local community is looked upon as both cause and solution in the area of social, political and economic regeneration (Amin, 2005). As Amin, Cameron, and Hudson (2002) assert, on the one hand this focus is in recognition of the fact that people wish to remain in their places and become entrepreneurs outside of the traditional economy, but on the other hand, they argue, it also reflects that some places simply fall outside decisive circuits of capital. In these places that have been abandoned by capital and state, other ways to maintain minimum levels of service provision emerge. Moreover, the authors emphasise that by promoting these kinds of avenues of democratic and civic participation, new governmentality institutionalises and sets limits in order to control proposals for radical change (Amin et al., 2002). Territorialising strategies targeting social policy and the production of urban rent thus, according to Rose (2000), seek to govern in and through 'communities' in an attempt to manage contradiction and tension, regulation of the labour market and the social sphere. In the light of the evolving territorialisation of policies on the one hand, and the building of new relations between 'responsible communities' and the state on the other, 'not-for-profit developers' emerged as a new type of urban development actor. Their existence, as will be shown in the *Société de Développement d'Angus* (SDA) in Montreal, reflects the aspiration of increased influence over the multifaceted processes of urban development through the control of territorially bounded spaces. While it has been found that these not-for-profit developers are particular about which spatial strategies they use, at the same time, they form part of a larger movement towards the expansion and professionalisation of the social economy, referred to as social entrepreneurship. Social economy enterprises are typically understood to break with the market-state duality in the way they redefine relationships between the state

market and civil society, and centre around social or environment oriented non-profit service delivery (Lipietz, 2001; Mendell & Neamtan, 2005). Social entrepreneurship is reflected in the distinctive organisational and managerial ‘models’ adopted by social economy enterprises which are, following Defourny and Nyssens (2008), typically multiple-goal, multi-stakeholder and multiple-resource enterprises.

Because social economy initiatives work on a variety of dimensions, they are often presented as holistic policy solutions to problems of social exclusion and social cohesion (Mendell & Neamtan, 2005). Yet, studies also reveal the existence of, on the one hand: ‘frictions between an entrepreneurial vision, that attempts to extend market relations either by creating market-like signals in the social economy or by rolling back state provision and rolling out less expensive third sector provision’; and on the other hand, the ‘social cohesion vision of meeting unmet needs’ (Graefe, 2007, p. 69). In the latter view, expansion of the social economy can be considered as a way to shore up neoliberalism by managing its contradictions through social investment, as well as deepening neoliberal processes through extension of the market’s mechanisms and governmentalities into other spheres of human life.

Looking at evidence from Montreal, the remaining part of this chapter zooms in on the tension that exists between Third Way entrepreneurial politics and social entrepreneurship, by focusing on the inclusion of a community-based organisation in a spatial transformation project. The recognition of community-based organisations as urban development actors results in very ambiguous situations. In the case of Angus, the process did allow the inclusion of wider socio-economic objectives (such as job training and local job creation) in the recapitalisation of an abandoned industrial zone, and provided a degree of shelter from socially unsustainable market demands. Nevertheless, the absence of democratic governance in the organisation itself, and the obligation placed on the social entrepreneur of complying with the funders’ requirements – that is, economic efficiency – in order to proceed with its activities, does limit its capacity in organising for the wider struggle for social change. The case study is based on 20 recorded and transcribed in-depth interviews with civil, private business, political and institutional actors, conducted between May 2007 and September 2008; the analysis of a large number of press articles and relevant research literature; and numerous archive documents issued by the actors involved in the projects.

7.4 Social Entrepreneurship in Brownfield Transformation Projects: La Société de Développement d’Angus in Montreal

The Angus Technopolis in Montreal comprises the transformation of a large scale urban industrial site that was abandoned in the early 1990s. Because of its location in an old working class industrial neighbourhood, and the moment of its abandonment, during an acute real estate crisis, market pressure was low. As Jessop (2002) argues, interventions in less competitive economic spaces are found to be more likely to develop a strong communitarian emphasis, in comparison with spaces subject to

high market pressure. Here regulation through the ‘responsible community’ (Rose, 2000) rather than based on the law and authority, or the market, is part of the political strategy. Such emphasis on community outsourcing and joint delivery, as a political strategy of ‘modern’ social democracies, may explain the relative openness of the political opportunity structure that civil society actors in Montreal experienced at the Angus site in the early 1990s. Yet the Quebec context, where multi-actor governance forms that include the third sector have been widespread since the 1960s, must also be taken into account (Hamel & Jouve, 2006). In the case at hand, social mobilisation around the availability of a large abandoned industrial infrastructure led to the re-configuration of development coalitions. In taking up an important role in planning for, and providing, social and economic services, a community-based organisation represented ways of seceding from the market-state duality in conventional socio-economic strategies of economic development and urban regeneration. The study case shows the building of new relations in which the state fosters, more than administers, communities; and, in which civil society actors aim at proposing alternatives that are more than just flanking mechanisms of roll-out neoliberalism. In a moment of social and economic crisis, civil society actors initiated processes for land redevelopment, service and job provision in a fiscally constrained government landscape.

7.4.1 *Imagining a Future*

The Angus Technopolis project is, effectively, the result of a local collective action, emerging from civil society, following the closure of the *Angus Shops* in 1992. The total site of 92 ha belonged to *Canadian Pacific Rail* (CPR), a company active in railway and locomotive production on the Angus site since 1904. About half the site was abandoned and transformed into a residential area from the 1970s onwards. Around a quarter of the site was transformed into what is now referred to as the Angus Technopolis. The site is located in the heart of Rosemont, one of the industrial neighbourhoods in the eastern periphery of the inner-city of Montreal. The neighbourhood was urbanised in the first half of the 20th century due to the implementation of the large Angus Locoshops factory in that zone. In its heyday the factory employed about 10,000 people. Since the 1960s this number gradually decreased; at the time of its final closure, it was down to about 1,000 employees.

The closure of the Locoshops occurred during a major economic crisis that had a severe impact on Montreal in the 1980s and early 1990s. It was in this period that social activists and community organisations created the *Corporations de Développement Économique Communautaire* (CDECs) in different neighbourhoods of the city. The CDECs bring together actors from local businesses, union representatives, local shopkeepers and communitarian groups with the objective of revitalising neighbourhoods. The CDECs received funds and mandates from various tiers of government, as they were considered key players in local development (Fontan, Hamel, Morin, & Shragge, 2003). In the early years, the main focus was the coordination of the principal socio-economic players in the context of

development. Gradually some became more proactive participants in revitalisation processes seeking to improve the neighbourhood for its inhabitants, rather than realising shareholder profit.

The CDEC Rosemont saw the abandoned site of the Angus shops as an opportunity to realise jobs for eastern Montreal. The CPR, the landowner, had different plans for the terrain (see Fig. 7.1). CPR wanted to realise a residential and commercial project on the site. To do so, however CPR would need to obtain a change of zoning status, as the land was entirely designated for industrial use. The image of the facilitating state comes to the fore in the action of the city government, which was at that time going through a planning policy change (it was drafting its first master plan), and forced the landowner to negotiate with the community organisations on the future of the land.

The change of zoning had to be presented to a community assembly. The CDEC realised the importance of mobilising the community with the proposition of an alternative vision; this was built by a committee that included members of the local community, external experts in local development and academics. In the meanwhile, intensive negotiations between the CDEC and CPR occurred. Shortly before a community assembly – which was needed to obtain the change of zoning – an agreement was forged that would allow CDEC to incrementally purchase half of the land (23 ha) for the development of a technopolis. As long as the CPR was the owner of the site, it would continue to pay property taxes and would also finance soil decontamination. In exchange, CDEC would mobilise the community to give its support for changing the zoning of the eastern half of the site to realise



Fig. 7.1 The local newspaper announces that CPR is ready to sell half of its property at Angus to the CDEC

Source: Journal de Rosemont, 7 June 1994

CPRs residential and commercial project. In this way, three subprojects went ahead (residential, commercial and industrial); and the main actors, CDEC and CPR, could both realise at least part of their intended project. In acting thus, rather than planning and steering from the centre, the public actors shared responsibility for urban growth and social stability with autonomous partners (a large private corporation and the community). The following account highlights the evolution of the civil society actor throughout the process.

7.4.2 Mobilising Resources

Since the early 1990s, a number of CDEC employees and related activists had an idea, or vision, for the 23 ha which would soon come under its ownership. However, not many believed that the CDEC would ever be able to complete its mission and actually succeed in mobilising the resources needed for land acquisition and development under the prevailing economic conditions. Neither did the statutes and mission of CDEC authorise such actions. Consequently, the SDA, the *Société de Développement d'Angus* (or the Angus Development Corporation), was set up from within the CDEC, but as a separate structure. With the benefit of hindsight, it may be considered as critical that the SDA came into being as a separate entity. In fact, in order to get the Angus project off the ground, financial backers had to be found. In contrast with the CDECs, the SDA did not receive any structural funding. However, the consequence was that once the necessary financial resources had been mobilised, they could be spent more freely. Secondly, its constitution as a separate organisation enabled the creation of a network of supporters and advisers specifically for the SDA; thereby significantly broadening the assets and capacities that had been available to the CDEC. Undertaking the redevelopment of a complex brownfield site such as Angus required skills and other resources which the CDEC could not access directly. The SDA, in the role of not-for-profit developer, challenged top-down approaches to decision-making, but in a more entrepreneurial spirit than the CDECs. It mobilised community assets, connected internal and external resources, synthesised and combined visions, expertise and methodologies from the third sector, and united public and private sectors. It did not fight shy of State involvement, even though it was looking for a different relationship with the State. It did not avoid the market either, but aimed at collectivised market relations. Having a plan for, and the virtual ownership of, 23 ha of urban land, were the factors behind this civil society actor successfully obtaining loans from labour union funds, provincial and national governments, for pre-financing the first phase of the development. The CPR, the former land owner, financed soil-remediation costs, while local government took care of infrastructure and greenery. The SDA would take up all other development tasks and related risks.

Having mobilised the necessary financial resources and expertise to develop a programme that aimed at the integration of physical, institutional, economic, ecological and social change programmes, the second major challenge consisted of finding the right incentives for companies to want to locate at Angus. Moreover the idea was to attract companies that also had a social mission. To increase the

attractiveness of the location and highlight its social and environmental goals, SDA proposed assistance and services to companies implanted on the site (e.g. setting up a waste management system, transport policy, employment training programmes and so on). The civil society actor thus not only plays a role in the creation of jobs, but also in creating the conditions needed to attract companies.

Whereas community organisations such as the CDECs typically take up roles as intermediaries, SDA also explicitly took up the responsibility for providing employment. It aimed to do so in the framework of a social economy philosophy of creating new jobs while meeting growing social needs. This approach points to the possibilities for resonance between democratic and economic plurality (Laville, 2005). Yet the civil society actors' strategy of targeting those excluded from the labour market also fits with Third Way technologies – here the shift from welfare to workfare – in seeking to foster the development of personal capacities to enable access to the workplace. When the civil society actor SDA presented a study of strategic retraining for local workforce, their proposal was welcomed and made possible due to a federal-provincial agreement or temporary institution that aimed to encourage the retraining of local labour. The plan was to provide training and other assistance to support the local unemployed workforce to get back into work. As well as this plan, which gave a certain visibility to the project, the SDA emerged from CDECs that had already gained political recognition as Centres of Local Development. This status for non-profit organisations co-financed by Quebec and the local municipalities had as an objective to give new impetus to local development by mobilising local actors and fostering partnerships between the municipal world, the business community and various other sectors. It sought to encourage the community to assume responsibility for development and to realise a new model of sharing decision-making power between the government and the community (Mendell, 2006). Such welfare-to-work programmes aim at fostering 'responsible communities' and breaking with the supposed dependency-inducing nature of welfare provision programmes.

Yet, in this case of urban regeneration, development was based on a plurality of economic principles and forms of property. For the city of Montreal, the SDA contributed to social and economic development by mobilising previously untapped resources for this type of project. The civil society actor involved in this project is an illustrative example of the professionalisation of the non-profit sector and an 'entrepreneurial social economy', participating in markets or quasi-markets to realise the goals of urban planning and development. This evolution led to recognition of a civil society actor in a local governance arrangement. However it also led to increased critiques from within civil society and weakened democratic functioning of the community organisations themselves. The survival of the social economy enterprise is tied to competitive success in a quasi-market and therefore some of its initial democratic ambitions have fallen by the wayside. This is illustrated, for instance, in its partial withdrawal from activities of supporting and setting up new social economy enterprises and its limited involvement and cooperation with residents and the surrounding community. The SDA somehow functions as a private developer but aims for community development instead of the mere extraction of land rent.

A further issue is that, in order to realise this ambitious programme, SDA was forced to cooperate closely with a financially stronger party. Beginning in 2004, a labour union related capital fund (*Fondaction CSN*), became the development partner. Such a cooperative initiative, encompassing a more traditionally organised social actor (the labour union), joining together with a community organisation, created a new form of coalition in social struggle. The partnership is based on the common objective of local economic development and rests on the values and strategies of seeking to combine further expansion of the localised social economy while also connecting to economic networks operating at different scales. The companies that have installed themselves on what has today become an urban business park, are active in different economic sectors: high technology, social economy, laboratories, training and research centres. Hence, the Angus Technopolis, controlled by a not-for-profit developer, and based on a partnership between a community organisation and a labour union, illustrates local democratic control over land, economic and social development. The civil society actor manages and develops the business park, while retaining its ownership of the land. It aims at combining expansion of the social economy with development of the site according to quasi-market mechanisms.

Moreover, importantly, the SDA subsequently also started to look for opportunities outside the Angus yards. When in 2006 financial resources were limited and no new major development project was planned in the short term, it became necessary to seek opportunities elsewhere.

7.4.3 *Beyond the Angus Site*

The Technopolis buildings paid for themselves, but did not generate the income needed to run the SDA. The main expertise the SDA had generated over the years was in construction and project development, so why not attempt to apply this in other projects? Starting with a small intervention in an artist-occupied industrial building (the *Grovers usine*) the SDA established new contacts which would lead to its involvement in a major urban regeneration project in the city centre. The SDA had shown that it had the skills and capacity to handle complex situations, and obtained the development rights for some of the main buildings in the '*Quartier des Spectacles*' project. This project aimed at the regeneration of the entertainment district in downtown Montreal. This time the SDA got a leasing contract on public land for 75 years, and the responsibility to develop a project that offered office space to not-for-profit cultural organisations.

These events mark an important change. The knowledge that was collectively built up over the last 15 years through the development of the Angus project is used outside the physical boundaries of the site. The SDA transformed from an organisation 'with a localised cause' into a veritable urban developer. This shift was recognised within the organisation. The brochure for the SDA's 10th anniversary is subtitled 'for an urban revitalisation based on sustainable development' (SDA, 2007, author's translation). Resources that would traditionally generate profit for

private developers are now being deployed by developers with a different set of values. The partnership between *Fondaction* and the SDA moreover had the result of enhancing the potential for a further diversification of activities. In 2009, the SDA became the manager of a new concept in real estate investment, the '*Fonds Immobilier Angus*' (FIA – Angus Real Estate fund). This fund, which started out with 30 million Canadian dollars seed money, was part of the labour union related pension fund *Fondaction*, and was set up specifically to invest in urban regeneration projects. The flyer announcing the launch of the fund speaks about support given to 'structuring property projects with significant local repercussions which privilege job creation, sustainable development and privileged links with the local community'.

The fund is clearly directed towards the reproduction of the Angus BTP model. Its first application was in Montreal's new entertainment district, the *Quartier des Spectacles*. This evolution can be understood in pragmatic terms, but should be followed up in more detail to understand its true impact. The *Quartier des Spectacles* is not free of polemic and contestation. The newsletter on the Greater Montreal investment environment announces the project as one of Montreal's current flagship projects.¹ So whereas the emergence of the SDA, and consequently the investment of *Fondaction* in Angus, has to be understood as a locally-grown project, this is much less true of the extramural project in which the SDA and the Angus Real Estate Fund are involved. The logic behind this new evolution revolves around property investment and the involvement of a not-for-profit developer, in order to generate jobs and stimulate a 'different form' of urban regeneration. As yet, however, it has not become clear how the SDA might make a difference through its involvement in this type of project. While the evolution could lead to the sedimentation of associative logics in urban development practice, it is more likely to be a step towards the further mainstreaming of the SDA and its instrumentalisation in order to gloss over neoliberal practice.

This is reflected in the shift that has been taking place in SDA's own evolution. It was established as a community-based organisation with an economic remit, aiming to intervene in land and property development; but it is today considered in terms of corporate social responsibility.² The SDA is compared on equal terms with mainstream corporations to honour its sustainability approach, a treatment that moves it further away from local development approaches.

¹ http://www.Montrealinternational.com/bulletin/2009/T1/index_en.html, consulted 11/11/2009. Montréal International is referred to in the literature as the instrument of the new neoliberal Québec Inc. Its mission is to: 'contribute to the economic development of Metropolitan Montréal and increase the region's international status'; its vision: 'Montréal International seeks to position the Montréal Metropolitan Community among North American leaders with respect to wealth per inhabitant'; its mandates are to: 'Attract foreign investment, increase the presence of international organisations; facilitate the relocation of strategic foreign workers; support the development of innovation; accelerate the development of strategic clusters'.

² <http://www.catalethique.org/en/site-visit/details/31Technop%C3%B4le%20Angus>, consulted 12/12/2009.

7.5 Conclusion

The degree to which social entrepreneurship in planning practices and development practices generates capacity for social change is both complex and ambiguous to answer. Observations from this case lead us to suggest that institutionalisation of community-based organisations in urban industrial reconversion projects both empowers community organisations in new roles and alternative forms of urban development, while at the same time preventing their proposals for radical change and thus annihilating potential resistance to increasingly neoliberalised spatial planning strategies.

Through a form of inclusive liberalism for handling social problems in urban economic redevelopment, the case shows how resources that would traditionally generate profit for private developers, are used by developers with a different set of values. Alternative development agents have been able to resist pressures to develop sites for more profitable land uses. The example points to broader political economy implications through the sedimentation of the representation of civil society actors in various governance arrangements, struggling for broad and multidimensional views on development.

The institutionalisation of the SDA as an urban actor both anchored and empowered the organisation. It involved partnerships with local governments, but also with supra-local governmental bodies and labour unions. This evolution mirrors a process of rescaling of practices of social action. The downloading of governance functions to municipalities led many urban movements to focus on cooperation with and contestation of local governments. But causal problems, such as those related to fiscal capacity, led the community organisation to turn to broader governmental scales and nationally and internationally connect with other movements and organisations. The effort to combine the resources of local, national and supranational resources with local grassroots coordination and the visibility of qualitative output, may point to strategies for confronting neoliberal planning in the city. The case shows how the local community successfully got involved in the economic renewal of their district. The establishment of a not-for-profit developer to advance and coordinate a brown-field transformation project was successful in enabling a small part of the territory to escape from the laws of short term profit. By slowing down the processes of return, and bringing in issues of solidarity, alternative economic spaces could to a limited extent emerge.

In the early stages of the development of the Angus Technopolis, however, the SDA did not aim to focus on the transformation of the built environment. Its original intention was to create jobs. In the course of developing the project, direct intervention in the form and conditions of the built environment gained in importance. This resulted in a bias towards the dominance of property development, with the SDA choosing to further specialise and develop its entrepreneurship in becoming a professionalised not-for-profit developer. As we can read in SDA's annual reports and other communication records, by definition this entails that project development is more than property development. Nevertheless property development now dominates its core activities. Consequently, the divisions that emerged

between the not-for-profit developers and other urban movements also point to fractures that might possibly lead to weaker (because divided) grassroots coordination. Social entrepreneurship in spatial projects in that sense also disempowered potential socially innovative governance. This may be seen in the SDA's stress on continuing its existence in the market and reinventing its own organisation and functioning in ways conducive to market efficiency, increased self-financing and productivity. Whereas the organisation emerged from a grassroots movement it became increasingly tied to mechanisms of resource allocation in the struggle to survive. The contradictory logics driving social entrepreneurship resulted in continuous internal tensions between economic efficiency and the objectives of social change, which ultimately drove the organisation to renounce some of its multiple objectives, by giving priority to its own survival, rather than complying with its initial objectives of democratic governance and community development.

The motives driving the not-for-profit developer were pragmatic solutions, which could be seen in the long history of civil society's effort to 'explore new solutions and assist in the process of societal change and invention' (Mulgan & Landry, 1995, p. 39). Historically, the third sector has played a decisive role in identifying social needs and their solutions (Moulaert & Ailenei, 2005). Ahead of markets and governments, these actors identify and respond to new needs that then either are, or are not, incorporated into public service provision or services provided by the market. The decline of the State as welfare provider that accompanied the transition from Keynesianism to neoliberal development strategies gave rise to the resurrection of an increased role for the third sector in political economy. In the concrete case of Angus, the establishment of a not-for-profit developer may be understood as the invention of a tool which allows civil society actors to adapt to the scale at which capital operates. Tufts (1998) identified such changes as an attempt to impact on shaping more desirable economic geographies. At Angus, the spaces and functions created by the initially community-based organisation may be seen as part of the process of rescaling, in an effort to increase impact on development trajectories. As a consequence the initiative goes beyond shoring up neoliberalism in urban planning and development practices, yet its impact on the realisation of more inclusive planning and development proves limited. Solidarity, yes, but only as long as it does not hinder capital accumulation and the creation of competitive urban environments.

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Chapter 8

Washing Their Hands of It? Auckland Cities' Risk Management of Formerly Horticultural Land as Neoliberal Responsibilisation

Cameron Smith and Brad Coombes

Abstract The scale of contemporary environmental risks suggests that they should be managed at the societal level, but neoliberal planning transfers some responsibility for their management to individuals. Devolution of these responsibilities ignores disparities in individual capacity to address or contest risk scenarios. Abandoning risk management to market forces disregards discrimination in planning processes, thereby ignoring the needs of socio-economic groups which are unable to participate equally within an increasingly marketised and scientised debate. Through an examination of a contaminated land crisis in the cities of Auckland, New Zealand, we illustrate how newly responsibilised individuals do not possess the financial resources to influence both their exposure to risk and risk management decisions. Obliging individuals to undertake risk avoidance measures in the absence of such resources has been employed by local authorities to evade responsibility and to reduce the cost of research and remediation. This not only responsibilises those who are least able to respond to problems which are not of their own making, it also fails to address the underlying causes of risk exposure.

8.1 Introduction

Although reviews of neoliberalisation have emphasised its reorientation of planning towards market mechanisms, the associated rescaling of environmental responsibility to the individual has received less attention. This is particularly relevant to risk management because the multiple causation, interconnectedness and cumulative composition of environmental risks suggests that they are a societal problem and should be managed at that scale. In this chapter, we highlight how neoliberal planning transfers responsibility for their remediation to individuals through such market rhetorics as *caveat emptor*. We suggest that responsibilising individuals for risk management ignores the differential capacities with which individuals are able

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to respond to risk scenarios. Conforming risk management with a market-based approach disregards the way risk discriminates against particular members of society, thereby ignoring the needs of socio-economic groups which are unable to participate equally within an increasingly marketised and scientised debate. Through an examination of a contaminated land crisis in the cities of Auckland, New Zealand, we illustrate how an individual's capacity to influence decisions about or their exposure to risk is dependent upon access to financial resources. Obliging individuals to undertake risk avoidance measures in the absence of such resources has been employed strategically by local authorities to evade responsibility and to reduce the cost of research and remediation. This responsabilises those who are least able to respond to problems which are not of their own making, and fails to address the underlying causes of risk production.

Risk has become a preoccupation of environmental planning, in part because discourses of risk management implicitly become debates about welfare, security, and environmental protection. Yet, the management of risk has itself become a source of inequalities, with its technocratic predisposition delimiting public access to decision-making. Because risk is a social construct with divergent meanings across space and in different cultural contexts, technocratic approaches to its management have disproportionate impacts on marginalised or poor communities (Gregory, Failing, Ohlson, & McDaniels, 2006). Technocracy is particularly evident in the management of environmental risk and contaminated land in New Zealand. In accordance with neoliberal planning, risk is identified and communicated through scientised narratives, management options are conceived as technical choices for experts, and market-based mechanisms are installed as the most 'efficient' method to ensure risk is governable. New Zealand's Resource Management Act 1991 (RMA) proscribes social and economic considerations from the planning process, and adherence to a market-based approach disregards the way risk discriminates against particular members of society. In framing responses to a known risk as an individual responsibility to be pursued within the logic of scientific advisory notices, Auckland councils privileged scientised knowledge, delegitimised citizen objections, and disregarded socio-economic contexts.

8.2 Risk, Responsibility and the Neoliberal Project

The environmental externalities of early, *roll-back* neoliberalism are widely recognised, even though their social consequences are the source of considerable debate (Castree, 2008). State withdrawal from environmental regulation hastened decline in resource stocks and generated public health crises of such high profile as to reawaken demand for state intervention (Prudham, 2004; Robbins & Luginbuhl, 2005). *Roll-out* neoliberalism has introduced new contradictions, but – for the interim – it has also insulated neoliberal planning from voter concern about its crisis tendencies. New institutional forms with an emphasis on civil society responses to socio-environmental problems have supplanted crude deregulation, hybridising neoliberal practice with softer, participatory mechanisms and technicist

decision-making. Rather than representing a decline in the political relevance of neoliberalism, these roll-out approaches have embedded 'the neoliberal project more deeply in civil society' (Holifield, 2004, p. 285). They represent a more subtle transfer of authorities from the state to other actors than simple deregulation. Like Harrison (2008, p. 1200), therefore, we maintain that it is important to understand the complicity of neoliberalism's hybrid institutions with 'processes by which the state divests itself of responsibilities for environmental protections and social welfare and by which those responsibilities are assumed by other actors.'

The disguise of laissez fairism in (neo)communitarian sentiments has been central to academic critique of this dereliction of state duties (Miraftab, 2004; Raco, 2005), but roll-out neoliberalism also implies a reframing of the role of individuals as agents of their own environmental destinies. Neoliberal policies 'construct citizenship in terms of the ability of individuals to monitor and regulate their own behaviour' and, accordingly, the role of the state has shifted 'from protecting the public . . . to helping "consumers" and "entrepreneurs" make the correct choices by providing them with technical assistance and information' (Lockie, 2009, p. 195). Individuals are free to pursue rational, utility-maximising behaviour within the recommended tolerances of scientific advice, so neoliberal planning creates a new role for experts as arbiters of safe practice guidelines and thresholds. In contrast to assertions that neoliberalism motivates an 'anti-technocratic consensus' (DuPuis & Gareau, 2008), therefore, we suggest that science and technocracy have become a central, albeit unnatural, bulwark of neoliberal governance. Science provides measures of value where simple monetary indicators or exchange fail, thereby legitimising new forms of nature's commodification (Robertson, 2006). With direct relevance to our case study, Holifield (2009, p. 651) also examines the scientific validation of neoliberal governance, framing 'risk assessment as a way of associating – and a means of circulating entities via forms and standards to make them general.' Science normalises the safe limits of individual behaviour so that the market can function unencumbered within those limits. Yet, the very technicism which this invokes may impede individuals' understanding of or access to scientific expertise, progressively circumscribing their capacity to contribute as informed citizens within a market economy.

Risk management is the archetypal example of the 'coproduction of science and politics' under neoliberalism (Gareau, 2008, p. 123). Coinciding with the emergence of neoliberal planning, new understandings of chemical pathogens and their effect upon human health have generated public demand for risk management. While we are cautious about Beck's (1992) claims that risk is the primal determinant of social processes in Western democracies, we accept his arguments about the social pathology of anxiety and the potential of risk to draw citizens into planning as never before (for critique, refer to Atkinson, 2007). Risk has 'become the organising concept that gives meaning and direction to environmental regulation' (Jasanoff, 1999, p. 135) and, concomitantly, 'governing is reduced to a discourse of risk management' (Rayner, 2007, p. 169).

Risk management and neoliberal planning are co-constitutive: through its system failures, the 'normal accidents of neoliberalism' create potential for publicly visible

environmental risks which challenge its political survival and therefore *require* risk management (Prudham, 2004). Yet, these connections extend beyond linear cause-effect relationships to include shared philosophical heritages. Neoliberal governance includes devolution of state responsibility and promotion of individuals as self-serving, rational consumers who express their environmental preferences in quasi-markets (Lockie & Higgins, 2007). Equally, there has been long-standing attention to the way risk management obligates individuals to avoid risk exposure by rationally adjusting their behaviour in accordance with scientific advice (Gregory et al., 2006). The increasing prominence of risk in societal debate provided an opportunity to further embed neoliberal aspirations within policy domains. As we will demonstrate, such neoliberal fixes as smart growth, devolution of authority and market mechanisms are now commonplace within risk management.

Recent critiques of risk management have highlighted the privatisation of risk responses. Strategies for risk avoidance are embroiled with discourses of property (Geisinger, 2001); market principles and monetary indicators of value influence risk evaluations (Maantay, 2002); and, resultantly, risk management becomes the responsibility of individual consumers (O'Neill, 2003). Even the more interventionist strategies for managing risk abide with core neoliberal principals about the primacy of economic growth and the rights of property owners. For instance, use-restricted zoning – a particularly weak and voluntary form of which is implicated in the case study for this chapter – may seem like an intrusion into the workings of the land market. Nonetheless, agency decisions to zone contaminated land in such a way that it proscribes certain activities while prescribing others as safe for their receiving environment may also be seen as a *permissive* approach. In keeping with neoliberal doctrines about cost reduction and removal of 'unnecessary' regulations, this may provide 'the same amount of protection of human health . . . without incurring the substantial cost of treating and eliminating contamination' (O'Neill, 2003, p. 21). Such approaches enable the maximum level of development and an 'efficient' use of space, minimising the intrusion of planners into market affairs through application of scientific management and 'smart' growth. Importantly, planners are restricted to developing a framework for decision-making. They may shift the balance in property rights to promote risk avoidance, but the consequential decision to use land is transferred to occupiers, developers or tenants – a reaffirmation rather than a challenge to property rights (Maantay, 2002).

Because risk management is increasingly reduced to the provision of a knowledge framework within which citizens practice risk *avoidance*, they are called upon and, indeed, forced to take greater responsibility for their own welfare requirements. This is considered appropriate because subjects of neoliberalism are allegedly less restricted in 'their capacity to choose rationally among available options and to assemble from these the risk-minimising elements of a responsible lifestyle' (O'Malley, 2000, p. 465). However, this emphasis on individual choice assumes incorrectly that all individuals have equal capacity or desire to implement rational actions. O'Neill (2003) notes that industrial discharges to rivers or use of herbicides in state forests became subject to greater regulation in the 1990s but, thereafter, control has been lifted in some places. They may be tolerated as permitted activities if

operators publish consumption advisories at sites which are visible to resource users, who are reframed as a newly informed citizenry with the capacity and knowledge to operate safely within scientifically-determined risk thresholds. Yet, the poor who once used neighbouring rivers and forests as supplementary food sources, and indigenous peoples for whom the consumption of berries or fish may be a cultural obligation, will not view the decision to heed or disregard such notices as a *choice*.

Despite several decades of dispute about the degree of intentionality and effects of discrimination within environmental justice research, there have been few successful challenges to the contention that those who are most affected by environmental risk often lack the political power to change their circumstances (Walker, 2009). Under neoliberal reconceptions of risk management as risk avoidance, therefore, those most disadvantaged encounter a cruel and contradictory burden: 'it is communities of color, low-income communities, and indigenous peoples who are disproportionately among the most exposed, and so will be disproportionately among those called upon to undertake avoidance' (O'Neill, 2003, p. 3). Rolling-out risk management through risk avoidance has further marginalised those groups left behind after the first wave of neoliberal reforms. Moreover, if modern risks are 'undelimitable' in respect of their spatiality, temporal reach and causality (Beck, 1992), then it is unjust to expect individuals to manage or avoid outcomes which are beyond their locus of control. The scale of contemporary risks invalidates risk avoidance by individuals. The disproportionate effects of environmental risk on the poor are no longer experienced solely as exposure, but also through disproportionate responsibility for partaking in their own risk management actions. A risk avoidance approach requires action from those who are exposed to risk, thereby disregarding the causes of risk production and liberating its producers from any remediation.

8.3 Situating Neoliberal Risk Management

8.3.1 *Neoliberal Planning in New Zealand*

New Zealand has embraced a comparatively pure variant of neoliberal doctrine, but it has also experimented with its roll-out forms (Haggerty, 2007). The country prioritised market-based resource allocation, corporatised state owned entities and dramatically reduced public expenditure on social goals (Barnett & Pauling, 2005). The Resource Management Act 1991 (RMA), an omnibus environmental statute, exemplifies neoliberal ideology through its promotion of limited state intervention, voluntarism and faith in market mechanisms (Coombes, 2003; Jackson & Dixon, 2007). The Act obliges only 'sustainable management of natural and physical resources' (s. 5(1)), leaving ambiguous the status of social planning and the national commitment to such interventionist agendas as sustainable *development*. The principal methodology of the RMA is effects-based management – a performance-oriented approach which establishes desirable limits of impact but includes few mechanisms to ensure that market forces comply with those limits

(Baker, Sipe, & Gleeson, 2006). The RMA suffers from an erroneous and self-defeating presumption that planning can be free of moral considerations, as it solicits technical experts to determine ‘precise natural environmental standards, which are separated from political and value considerations and which constitute static “environmental bottom lines”’ (Perkins & Thorns, 2001, p. 641). If developers convince authorities that they will not transgress those thresholds, they are generally free from planners’ interference. Of particular relevance to our argument about neoliberal responsabilisation, Gunder and Mouat (2002) argue that the Act *requires* citizens to contest the extent of environmental effects because they, and not planners, are the only restraint on business practice. This highly scientised yet inherently liberal approach to management – a ‘technocorporatist’ logic (Jackson & Dixon, 2007) – has particular significance for environmental justice, as the lay public confronts technocracy and economic power in the absence of planners’ advocacy for social rights and needs (Pearce & Kingham, 2008).

The RMA’s emphasis on the biophysical environment and on management of effects rather than strategic planning has inhibited the capacity of planners to address social concerns. In addition, the centrality of technical experts in establishing or contesting effects relative to performance standards compels high costs of participation (Baker et al., 2006). Not surprisingly, therefore, the new context for planning has been criticised for benefiting those economic interests who have access to scientific and legal expertise (Gunder & Mouat, 2002). Other critics have highlighted a dichotomy between a rhetorical commitment to dispute resolution and evidence of the ruthlessly adversarial nature of decision-making under effects-based management (Montgomery & Kidd, 2004). Exclusion of all but the most wealthy and educated from such practices provides a partial explanation for the strong correlation between exposure to environmental risk and socio-economic deprivation in New Zealand (Hales, Black, Skelly, Salmond, & Weinstein, 2003; Pearce & Kingham, 2008).

A more complete explanation for those correlations requires consideration of how neoliberalism promotes an ahistorical and aspatial approach to planning. The RMA supports the rights of existing land users, even those responsible for contamination, if their activities were consented prior to 1991 and are not associated with discharges to air or water (s. 10). Notably absent are provisions for remediating the present effects of historical activities because to do so would allegedly represent an unfair burden on the property rights of developers who may not be responsible for the condition of their land (refer to *Voullaire v Jones*, C124/97, 15). The Act requires developers (s. 5(2)(c)) and ‘Every person’ (s. 17(1)) – that is, significantly, all *individuals* – to ‘avoid, remedy or mitigate’ their own adverse effects on the environment, problematising efforts to ascribe responsibility to developers who have abandoned toxic sites. RMA provisions for contaminated land are generally limited to allocation of assessment responsibilities to local and regional councils, the latter of which are required only to ‘*investigat[e]* land for the purposes of identifying and monitoring contaminated’ sites (s. 30(1)(ca), our emphasis). Local councils may seek ‘prevention or mitigation of any adverse effects of the development, subdivision, or use of contaminated land’ (s. 31(1)(b)(ia)). Again, however, the emphasis

on addressing effects yields ambiguity about the capacity of planners to control the activities and redress the historical uses which cause environmental risks.

A lack of national prescription for the responsibilities of local and regional government accentuates these problems. This constitutes a deliberate devolution of authority which was designed to reduce central state influence upon resource markets, and it has generated inconsistent planning performance across space (Coombes, 2003). Adopting the language of use-restricted zoning, the Ministry for the Environment (MfE, 2006, p. 2) recommends 'fit for purpose land . . . with use restricted if . . . contaminated.' Nonetheless, its power to influence councils is limited at present to discussion documents and publication of criteria for remediation – it cannot order such remediation. As a consequence of devolution, there is 'significant variability in how contaminated land is addressed' across space (MfE, 2006, p. 5), and councils may further devolve responsibilities to affected residents. Reflecting its limited mandate (i.e., 'investigation,' RMA s. 30(1)(ca)), the Auckland Regional Council (ARC) seeks only to '*facilitate* the identification and appropriate management' of contaminated land (ARC, 2008, p. 4, our emphasis). To achieve this, councils 'will require offending parties or landowner/occupier to conduct investigation and remediation of a contaminated site' (ibid.). Whatever limited sense of council responsibility is included in the RMA for contaminated land has been offloaded to residents, but even there the emphasis is investigation of effects and remediation of current offences. Individual responsibility is prescribed loosely in a way which evades council and developer complicity in land contamination.

8.3.2 A Contaminated Land Crisis Within the Cities of Auckland

Neoliberal planning creates environmental crises and – as those crises are revealing insights into neoliberalism, its tendencies, and public contestation – they should be emphasised in critical research (Holifield, 2009). The management of a contaminated land crisis within the cities of Auckland, New Zealand, provides an apt illustration of how market norms influence environmental management and how the state has divested itself of responsibilities for risk management. Herbert (2005, p. 850) argues that while 'much academic work tracks the logic of neoliberal projects, little interrogates the assessment of devolution by the citizens upon whom it presses obligations.' Hence, our research included 16 interviews with concerned residents who had contested council strategies for contaminated land and council officers who developed those strategies. We also present the outcomes of a GIS analysis of the social character of those neighbourhoods which were most affected.

In 2001, the ARC and the Auckland District Health Board (ADHB) commissioned research into the potential effects of past horticultural practices on soil in residential areas (Gaw, 2002). The report revealed that of 43 active or former horticultural sites tested, 45% had soil contaminant levels equal to or exceeding internationally recognised trigger levels for health impairment. Although the accumulated health risk was likely minimal, because the contaminants which exceeded

guidelines included copper, arsenic, DDT, dieldrin and other organochlorides, a precautionary approach was warranted. We focus on the responses of the Auckland (ACC) and Waitakere (WCC) city councils because they were identified as the two cities where suburbs had most encroached upon formerly horticultural land. Both councils commissioned their own historical research based on aerial photographs, resulting in the overlays which we present in Figs. 8.1 and 8.2. WCC identified 3,000 potentially affected properties, while the ACC identified 4,872. Housing New Zealand Corporation (HNZC) confirmed in a media statement that 1,600, almost one third, of the potentially affected properties in Auckland City are occupied by social rented ('state') housing. Figures 8.1 and 8.2 overlay the locations of possibly contaminated sites upon a social deprivation index which is commonly used in New Zealand to target social policies. The ten point index is derived from household census data on employment, income, access to services and other such social characteristics. Both figures confirm that the possibly contaminated areas are concentrated in the most disadvantaged neighbourhoods.

Council responses to the issue focused on risk communication rather than remediation. Initially, this was limited to the tagging of Land Information Memorandums

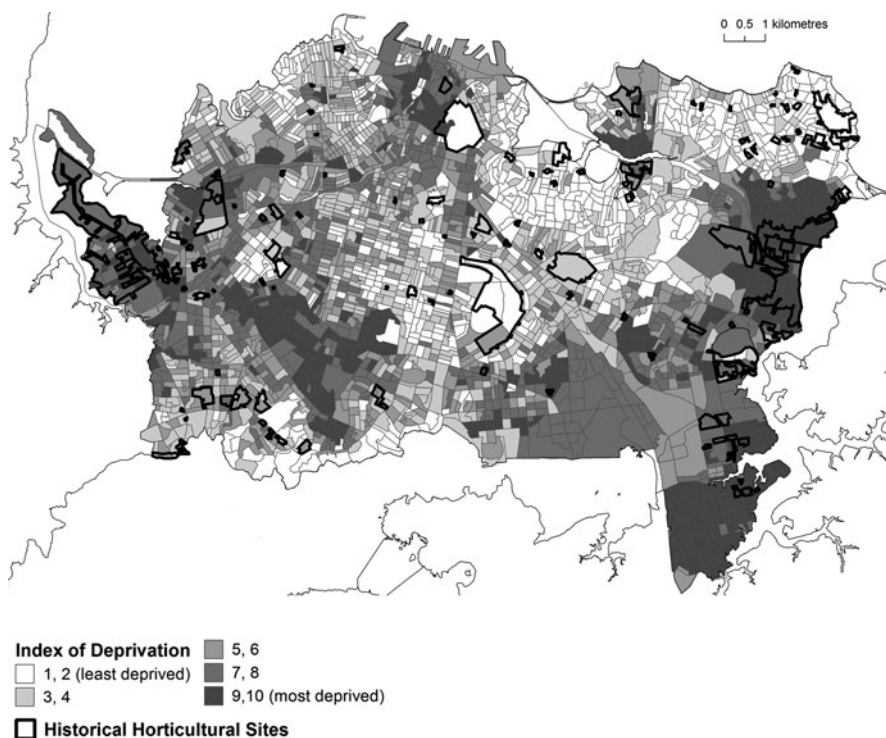


Fig. 8.1 Social status of 'Historical Horticultural Sites,' Auckland City

Sources: 1. Index of Deprivation by 2006 census meshblock areas (<http://www.wnmeds.ac.nz/academic/dph/research/socialindicators.html>); 2. Sites of historical horticulture recreated from aerial photographs (<http://www.aucklandcity.govt.nz/council/documents/soils/docs/map.pdf>)

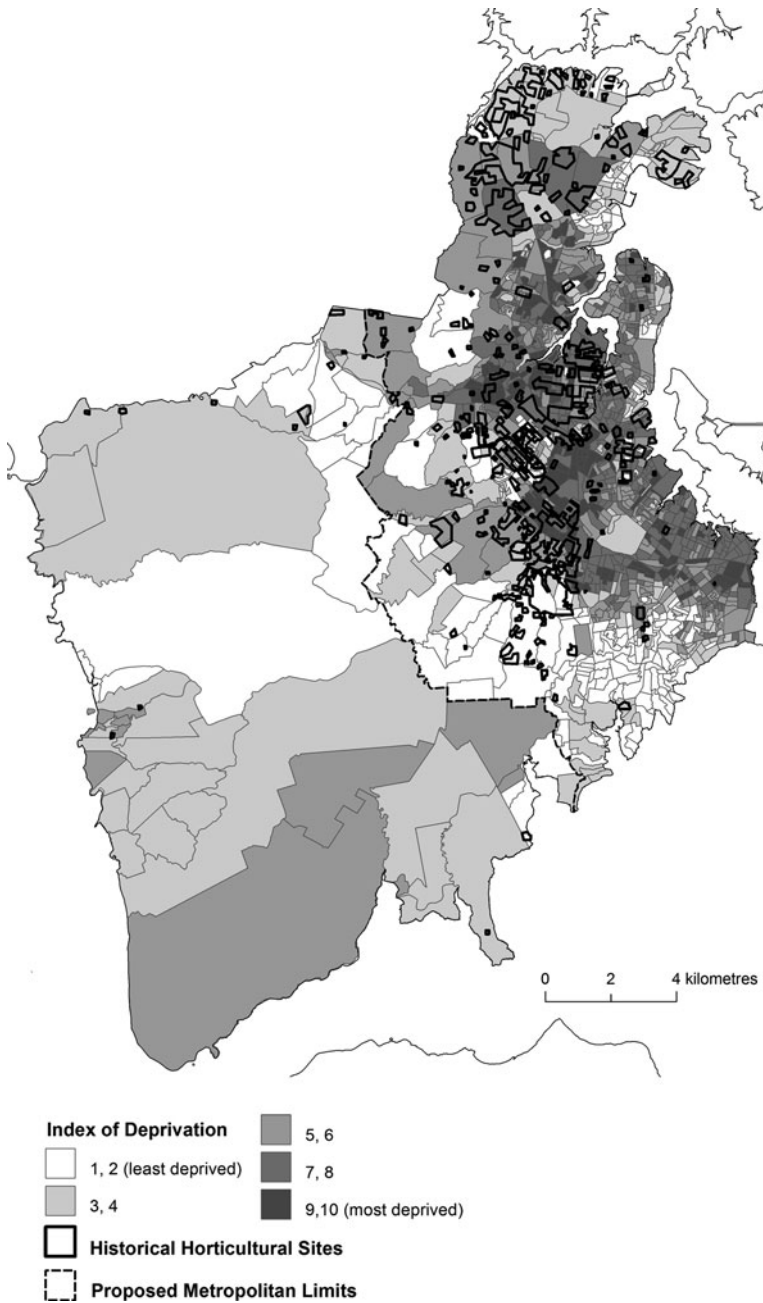


Fig. 8.2 Social status of 'Historical Horticultural Sites,' Waitakere City
Sources: 1. Index of Deprivation by 2006 census meshblock areas (<http://www.wnmeds.ac.nz/academic/dph/research/socialindicators.html>); 2. Sites of historical horticulture recreated from aerial photographs (1940, 1979, 1985, 200) supplied by Waitakere City Council

(LIM) – legal documents which accompany each land title and are publicly available for review by prospective buyers of property. As is shown below, banks have used council maps of potentially contaminated land and information on LIMs to ‘red line’ certain areas in mortgage reliability tests until such time as the owner or prospective buyer removes uncertainty through research on their properties. WCC and ACC LIM notices both included this statement:

This property has been identified by this council as a site which may previously have been used for horticultural purposes . . . [T]here is no evidence that this property is, or is not, contaminated as a result of any former horticultural use. However, this Council may require soil testing if it is proposed to subdivide the property, establish new activities, or to extend existing activities on the site, depending on the nature and scale of those activities (WCC Press Release, 8.2.2005).

Neither council notified residents directly, so affected parties would not ordinarily discover the new status of their properties until they decided to sell or seek a consent for development. Although the price for ordering a LIM is modest, some of our participants were concerned that they faced a financial burden to access knowledge about their properties.

Public disclosure of the wider problem occurred only after the issue was leaked through the regional print media in late 2004, two years after the completion of the initial report. Once the issue entered the public domain, the secrecy of its management became contentious, so the ACC held community meetings and mailed information packs to residents of affected neighbourhoods. These included the details of the original report, the information to be placed on LIMs, and health advice for occupiers which was provided by the ADHB. The advisory notice stated that ‘where contamination is likely to be low, washing hands after playing or working in the garden and discouraging children from eating soil are sufficient precautions’ (ACC letter to residents, 2005, as sourced from a an interview with a resident, 30.10.2008). Where contamination was ‘known,’ advice included vacuuming regularly, removing shoes before entering households and more handwashing. As responsibility for risk management had, in effect, been transferred to individuals, the councils had completed their own form of ‘handwashing.’ Moreover, as LIM notifications represent a potential obstacle to full land use, property had been placed at the centre of decision-making. Debate initially centred on health effects, but the potential impact of LIM notification on property values became the focus of public concern. Following public protest, ACC removed tags from LIMs, but they remain on WCC properties. In both cities, research or remediation remains the responsibility of the landowner or occupier.

8.4 *Caveat Emptor* as Non-management of Environmental Risks

Through the LIM notices, Auckland councils deliberately tied aspects of risk to property interests in order to promote risk minimising behaviour. In the following analysis, we consider the outcomes of that strategy in terms of its managerial efficacy and justice considerations.

8.4.1 *Restricted Efficacy*

Devolution of responsibility positioned the individual as a rational 'consumer' who would act in accordance with their potential to maximise profit through commissioning research to remove a negative influence on property values. To justify but also disguise market priorities and shifts in responsibility, councils have championed a timeless stereotype of liberal doctrine – the *caveat emptor*, or buyer beware, principle. As one councillor explained:

Disclosing what we know should not disadvantage property owners. On the other hand, most LIM reports issued by this Council are to prospective buyers. We are not saying there is a problem. It's up to buyers to check (V. Neeson, Chair, WCC Planning and Regulatory Committee, as cited in WCC, 2004).

Recourse to *caveat emptor* illustrates the marketisation and devolution of contaminated land management, denoting both a transaction and a transfer of responsibility. One council officer demonstrated how much he and his colleagues trusted market mechanisms to resolve the controversy. He argued that sellers will pursue remediation as 'part of a due diligence process, [because] the potential purchasers will be looking at what's the status of your land' (Interview, 21.11.2008). Also, if the 'the bank has tagged this site as potentially contaminated and therefore the value of it is low' and they 'want to be able to borrow against it,' they will complete 'remediation . . . to get [council] to take that tag off.' The market has become a default solution for contaminated land whereby the capacity to sell property or acquire a bank loan is seen as a driver of public safety. The institutional faith in the power of this quasi-market to promote effective management is revealed in another interview with a council officer:

I've seen people drop their price by . . . two to five thousand dollars, on the basis that the purchaser will meet the cost of testing [and] the purchaser has said, 'I'll offer you thirty grand less.' There's a negotiation between those two, and I've seen . . . people trying to . . . actively get the thing done so that they've got that on hand when they've got their open homes, being proactive about that because they know it is an issue (Interview, 30.10.2008)

While some council officers were therefore confident about the potential to achieve successful management, many accepted that the outcome was at best risk minimisation rather than elimination. Others questioned whether *caveat emptor* could achieve greater research coverage over space and in sufficient time: 'I think to date we haven't had a landowner *choose* to verify, [to] test soil, without some other driver, like trying to sell their property or develop their land' (Council Officer, Interview, 30.10.2008). Rather, capital gain becomes the priority, and the market the solution, but 'the only time it would matter is if you went to sell, or you went to subdivide' (Resident, Interview, 29.10.2008). In the meantime, non-selling landowners and tenants remain exposed to any risk. Council officers cannot control the coverage of risk investigations because that defaults to the spatially ad hoc outcomes of a property-by-property approach and the unsystematic whims of landowners who decide to sell. Residents were also aware of this dilemma, noting that 'the caveat emptor clause dominates everything, pre-empts everything else, and we were going, "but if we don't know, how can you be aware?"' (Resident, Interview, 14.10.2008).

Moreover, even where *caveat emptor* promotes site investigation, it will not always lead to remediation because some landowners may subsequently decide not to sell if the prospect of remediation is costly and cannot be recuperated at the time of sale.

For those who received notification of the problem through surprise declaration in a LIM notice, sudden anxiety about property values and potential impacts upon family may have had greater impact upon personal wellbeing than the effect of contaminants. One resident referred to the surprise rather than general notification as an attempt to 'scaremonger and frighten everybody' into commissioning research or remediation (Resident, Interview, 14.10.2008). Another resident indicated the extent of suburban anxiety induced by that form of notification:

And that's what they were doing, 'your children are not safe, and they are playing on dirt and it could be contaminated', and people were saying, 'I don't want to let my children outside.' They were actually keeping their children inside. One woman said she doesn't want to let her children play outside. She actually stood up at the Panmure meeting and asked the experts, 'is it safe for my children to play outside in the garden?' So this is *exactly* what they wanted (Resident (his emphasis), Interview, 19.11.2008).

For residents, the 'trigger' in linking risk notification to property interests was a crude and insensitive measure; something to be resisted rather than a source of motivation to act responsibly. It could not induce the desired outcome because redressing large-scale land contamination requires societal compromise and collaboration rather than the petty, self-serving politics which result from re-assigning responsibility from state to individual.

8.4.2 Justice Considerations

Abandoning risk management to market mechanisms is closely associated with devolution of planning authorities. Reliance on *caveat emptor* offloads responsibility from planners, and subsequently decisions to act are represented as private matters with consequences rightfully contemplated at the level of individual households. Yet, when discussing responsibility for contaminated land, residents derided central and local government devolution of responsibility, one noting that the 'council are doing this . . . without any real proof and they're putting it on to us' (Resident, Interview, 14.10.2008). Suggesting that past mistakes of councils and government agencies required them to accept some responsibility, one participant noted that contamination was a 'direct consequence of horticultural practices that had been not only permitted by law but, in some cases, actually required by law' (Resident, Interview, 17.10.2008). Indeed, through biosecurity requirements for export and domestic fruit markets successive governments prescribed rigid spray regimes and, therefore, central government must 'have a responsibility, they can't just say it's an Auckland problem' (Resident, Interview, 15.10.2008). Because those who sprayed in the past were likely *fulfilling* rather than contravening the law, no offence was committed, so even the ARC's meager aim of identifying 'offending

parties' is legally irrelevant (ARC, 2008, p. 4). In the non-retrospective, ahistorical conditions of the RMA, responsibility cannot be determined with any certainty so, ultimately, councils 'tried to force the problem onto completely unsuspecting, existing homeowners and landowners' (Resident, Interview, 20.11.2008).

Residential interviewees often alluded to the injustice of devolution which, notably, they connected with wider neoliberal restructuring. To one, discovery that he had become responsible for contaminants which he had not released into the environment was a microcosm of 'the rapid reforms and changes that people are expected to wear and that come on one after the other' (Resident, Interview, 14.10.2008). Another viewed devolution as a crass tactic enacted by councils to avoid legal liability:

[I]f there's a problem with soil contamination, they need to deal with it, but that's not the same as putting it on the LIM . . . because all that's doing is transferring the responsibility, and quite honestly, that's a coward's way out. If there's an issue, and it's a public health issue, then it needs to be dealt with. But just protecting yourself from lawsuits, or scare mongering is not the way to deal with it (Resident, Interview, 15.10.2008).

Residents can commission soil testing to address concerns about LIM notification and land-use restrictions, or to ascertain their personal risk exposure. If unable or unwilling to test, they can instead implement the ADHB's precautionary advice which we quoted in Section 8.3.2: washing hands; abandoning household gardens; and discouraging children from soil contact. This act of obliging individuals to undertake precautionary measures to avoid risk is significant but not only because the efficacy of such measures is questionable. Few parents are so omnipresent that they can guarantee non-consumption of soil by children at play, and for some poor households backyard gardens are an essential source of sustenance. In the case of non-selling owners or tenants, however, they may not have been sufficiently informed of the risks to even attempt to avoid them. Use of a property-rights approach which is triggered upon sale functions only where property has already been assigned. The Auckland manager of HNZC 'says keeping tenants informed will be a priority' but he could only 'encourage[] them to listen to the advice being given out by health professionals' (Martin, 2004, p. 3); most tenants remained ill-informed because only sellers or developers received directly the health advisory notices.

The capacity of individuals to challenge or respond to risk management decisions varies across and within communities. Political influence and economic power determine capacity to participate in expert systems or to contest decisions (Elliott & Pais, 2006). Because of the RMA's focus on scientifically-derived thresholds for development, contaminated land management privileges technical knowledge and those who can afford it. Further, the market setting in which contaminated land is managed ensures that ability to overcome risk is dependent upon economic capacity. In Auckland, the costs of soil sampling and analysis 'generally range from \$1,500–\$3,000, depending on the number of samples and the size of the site' (Shields, 2005, p. 1), and may cost 'about three hundred bucks to peer review' (Council Officer, Interview, 30.10.2008). If remediation is required, 'it is quite a process, it will cost

them a few thousand dollars’ (Council Officer, Interview, 28.10.2008). Soil testing is not, therefore, readily available to all members of the community:

Admittedly, it tends not to be the large development companies; they just pay the money and get it done. It’s more the do-it-yourselfer cutting the back of their property [to make] a two lot subdivision, who’s got no money and drives around in a \$200 car, and hoping that this might provide them with some cash. They don’t have the money for a lot of this, and they tend to struggle with this issue (Council Officer, Interview, 30.10.2008).

A market-based approach in which societal accountability is substituted with individual responsibility assumes all individuals are able to choose from available options, but this disregards variability in financial resources. As we argue above, market-based approaches are inadequate and unjust when private property rights cannot be assigned, but they are also insufficient when they *can* be assigned. For home owners in ‘low socio-economic areas, it’s like everything, they just don’t have the money’ (Resident, Interview, 15.10.2008) and, without sufficient resources, the market-driven incentives to undertake risk minimisation are irrelevant and beyond reach. Figure 8.3 confirms that the presence of formerly horticultural land is almost twice as likely in disadvantaged (deprivation index values 7-10/10) as compared with the more advantaged (1-4/10) neighbourhoods. Because they cannot afford risk remediation within the market, the very low-income communities which are disproportionately exposed to environmental risks are unreasonably obliged to undertake those risk avoidance measures which are available outside of the market.

Along with lack of capacity to respond to risk decisions, our research revealed the costs of successfully contesting decisions about risk under effects-based management. Some residents who wanted to develop their property by removing their LIM notices and associated uncertainty highlighted the hidden requirement to purchase expertise. One who contested the requirement for research prior to award of a resource consent maintained that ‘unless you’ve got the experts there to counter that

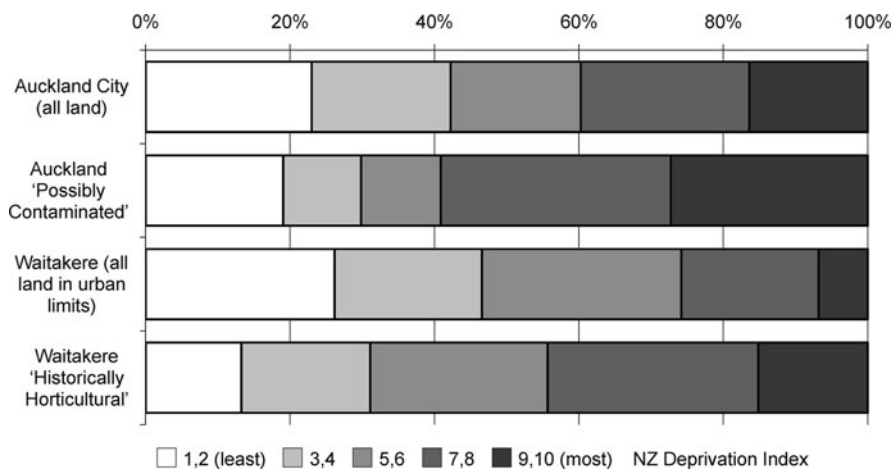


Fig. 8.3 Spatial coincidence of historical contamination and social deprivation

information, you are going to lose' (Resident, Interview, 29.10.2008). It also became apparent that political capacity affects the likely success of resident actions. While our sample of residential participants is biased towards those who were already politically vocal or involved in civic affairs, those very participants were anxious to communicate how difficult it would be for the poor to take similar action. Their own protests were predicated on: participation 'on the Avondale Community Board' (Resident, Interview, 15.10.2008); being 'already heavily involved in community action work' (Resident, Interview, 20.11.2008); or because they learned about the issue through regular attendance at civic meetings 'on behalf of RAM (Residents Action Movement)' (Resident, Interview, 14.10.2008); or through discovery 'in sort of a formal capacity as PCAG (Panmure Community Action Group)' representative (Resident, Interview, 18.11.2008).

The lack of capacity for marginalised groups to participate in the often technical debates associated with risk management is revealed in other aspects of our somewhat biased sample of residents. Despite many attempts, and even though they represent one third of the affected parties in Auckland City, we were unable to recruit tenants of state housing. None of the tenants who were contacted knew anything about the issue, and none of the advocacy groups for state housing believed they were sufficiently aware of the problem to respond. HNZN tenants are missing from debates about contaminated land. Instead, those who oppose council decisions are characterised by their existing access to financial and political resources.

8.5 Conclusion

In the Auckland case, moving outside the market and obliging residents to undertake risk avoidance measures – to wash their hands of risk – was necessary to overcome the failure of the market as a universal solution for contaminated land. This represents a significant contradiction in neoliberalism which increasingly frames the role of planners as information providers who merely recommend the thresholds of safe behaviour to consumer-citizens. Despite purporting more efficient and innovative solutions, the market provides no incentives for tenants, and perverse disincentives for poor owner-occupiers, to test or remediate their properties, so they are unable to manage risk within a market setting. Entrusting a quasi-market approach with the management of contaminated land removes environmental risk from wider debates about community wellbeing. Instead, property is placed at the centre of debate, capital gain is rationalised as the pretext for managing contaminated land, and risk minimisation only transpires at the time of development or sale.

Possible contamination of Auckland's formerly horticultural land is now managed on a property-by-property and, therefore, unsystematic basis, reinforcing a disjuncture between the scale of contamination and the spatialities of management outcomes. Along with devolution of authority, this market-based approach ensures that societal debate about risk and social responsibility for it are withdrawn and transferred to the individual. However, options for risk minimisation are not

accessible to residents who lack the financial resources to operate within a market setting. As it is low-income groups who are unjustly exposed to the risks of contaminated sites, those groups are also disproportionately exposed to the requirements and consequences of such neoliberal strategies as tagging LIM notices with the logic of *caveat emptor*. In some ways, however, the precautionary measures which are required of individuals when market incentives cannot apply are even more likely to impact the lives of low-income groups. For example, state housing tenants are disproportionately obliged to undertake risk avoidance measures, even though they have been granted no opportunity for involvement in risk debates. Hence, the neoliberal strategies which have been implemented to address contaminated land stimulate additional environmental injustices through their socially and spatially uneven requirements.

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Chapter 9

Accumulation by Dispossession and Neoliberal Urban Planning: ‘Landing’ the Mega-Projects in Taipei

Sue-Ching Jou, Anders Lund Hansen, and Hsin-Ling Wu

Abstract Even in the mist of the current global economic crises, there are no signs of neoliberal urbanism collapsing. East Asia is today one of the most animated scenes of rapid and dynamic urban growth. New Asian urbanism has therefore emerged as an important field of study for understanding contemporary global social and economic change. This chapter discusses how the shifts in urban politics in Taipei, the capital city of Taiwan, facilitate neoliberal planning from the end of 1980s onwards. This is done through an analysis of four large-scale urban development projects, which are closely related to the spatial restructuring and economic transformation of Taipei over the past 20 years. Our findings suggest that private property rights have been established as the most dominant right to the city, also in Taipei. Strategies of ‘flexible’ accumulation by dispossession through ‘land acquisition’ – i.e. land grabbing via privatisation of public land – and property development are key characteristics of contradictory neoliberal planning of contemporary East Asian urbanism.

9.1 Introduction¹

In his 1970 book, *Urban Revolution*, Henri Lefebvre suggested, that urbanisation would supplant industrialisation as the motive force of capital accumulation . . . City building – the making of the built environment – has become a more central plank of productive capital accumulation than previously anticipated. . . This is more intensely true today than ever before as the world becomes majority urban. (Smith, 2008a, p. 2)

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‘This building will lead Taiwan to the top of the world, giving Taiwan the drive to fulfil its dreams’ stated President Chen Shui-bian² in the 2003 grand opening of the 508 m high Taipei 101 in Taipei’s Xinyi Centre. According to Chen, who approved the project in 1997 when he was still mayor of Taipei, Taiwan’s dream has to be realised by showing ‘Taiwan’s can-do spirit amid an economic slowdown’ (Taipei Times, 2003). Taipei 101 symbolises Taipei’s effort to become a ‘global city’. In this chapter we will critically examine the general processes and contradictions of globalisation, democratisation and neoliberalisation. The chapter examines how the shift of urban politics in Taipei, the capital city of Taiwan, since the end of 1980s may be analyzed as a variety of Asian neoliberal urbanisation. The role of the local state has been reshaped and urban governance transformed in response to global economic restructuring. At the same time, the central state, characterised as an Asian developmental state with its political legitimacy based on the capability of facilitating and achieving national economic growth (Douglass, 1994), also plays an important part in shaping Taipei to become a neoliberal city by fostering the rapid implementation of deregulation and privatisation policies, among which the privatisation of public land has been the most crucial. Public land not only played a central role in urban restructuring, but has also become a pivotal asset in power struggles in the parallel processes of globalisation, democratisation and neoliberalisation. In order to understand the intricate power struggle among the central state, local state and private capital under neoliberal urbanisation, this chapter analyzes developmental processes of four large-scale urban development projects (UDPs) – Xinyi Planning District, Nankang Economic and Trade Park, Neihu Technology Park and Taipei Main Station Special District (see Fig. 9.2), that are closely related to the spatial restructuring and economic transformation of Taipei over the past 20 years. It is found that strategies of ‘accumulation by dispossession’ centering on ‘land acquisition’ and property development are essential characteristics of neoliberal urbanism in Taipei.

9.2 Accumulation by Dispossession and the Neoliberalisation of East Asian Cities

Although the late 19th and early 20th century was the era of prominent western urbanisation, Asia constitutes today the most animated scene of urban growth (Smith, 2004). Asian urbanism has therefore emerged as an important field of study for understanding contemporary global social and economic change. In a western context, there are close connections between new urban politics, new economic politics and large-scale urban development projects (Swyngedouw, Moulaert, & Rodriguez, 2002). The shift away from traditional, socialist and authoritarian Asian

² Chen Shui-bian was in 2009 accused to be guilty of corruption and sentenced to life in prison. He was found guilty of accepting bribes worth \$9 million in connection with government land deals (New York Times, 2009).

urbanism, towards a neoliberal, globalised new Asian urbanism has resulted in studies of Asian cities in the post-reform area (e.g. He & Wu, 2009; Kwok, 2005; Ma & Wu, 2005; Wu, 2002). To study East Asian cities like Taipei is useful for our scholarly understanding of the above processes with some methodological advantage owing that we can examine the political-economy paths of a neoliberal city in quite a short and compressed time span.

Privatisation, marketisation and deregulation have globally been cornerstones of neoliberal politics for decades, generating new rounds of accumulation by dispossession (Harvey, 2003). Primitive accumulation – the processes of separating people from their land and thereby their means of providing for themselves – was essential in 'kick-starting' the capitalist system³ (Perelman, 2000). It undermined the ability for people to provide for themselves and prevented them from finding alternative survival strategies outside the wage-labour system. In this light, space wars constitute a fundamental element in the invention of capitalism itself (Lund Hansen, 2006). For Karl Marx, primitive accumulation was 'not the result of the capitalist mode of production but its point of departure' (1990) as it played an essential role for the division of labour. In classical political economy the logic was the other way around. Adam Smith used the notion of 'previous accumulation' and suggested that the division of labour was a consequence of accumulation of 'stock' (Smith's term for capital). Marx rejects Smith's interpretation and characterises his version as an attempt to explain the current existence of class by reference to a mythical past that we cannot challenge. Marx argues that the process is anything but idyllic and illustrates how force was an integral practice of primitive accumulation (Marx, 1990). The term primitive accumulation embraces a wide range of processes. These involve:

... the commodification and privatisation of land and the forceful expulsion of peasant populations; conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights; suppression of rights to the commons; commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption; colonial, neo-colonial and imperial processes of appropriation of assets (including natural resources); monetisation of exchange and taxation (particularly of land); slave trade; and usury, the national debt and ultimately the credit system as radical means of primitive accumulation (Harvey, 2003, p. 145).

David Harvey introduces the term 'accumulation by dispossession' and suggests that the practices of 'primitive' accumulation are an ongoing process. He argues that 'all the features of primitive accumulation that Marx mentions have remained powerfully present within capitalism's historical geography up until now' (*ibid.*, p. 145). In countries like Mexico, India and China, displacement of peasant population and the creation of landless population have increased during the past three decades. Moreover, privatisation of global environmental commons (land, air and water), public assets and intellectual property rights constitute new waves of enclosing commons. Resistance towards this process forms the core of the agenda for many of the

³ Primitive accumulation took place in different countries at different times and was not one historical event but a series of events, separated by space, time and form.

participants in alternative/anti-globalisation movements. In this study we look at how processes of capitalist expansion, also in East Asia, are accomplished through privatisation of social spaces and services; special focus is on 'land acquisition' – i.e. privatisation of public land.

Cities have become important spaces of neoliberalism and entrepreneurial urban politics (Harvey, 1989), more accommodating towards investors and developers, and has been implemented in cities throughout the globe. Proactive city governance uses Margaret Thatcher's TINA acronym to suggest that There Is No Alternative to the global neoliberal uneven growth agenda (Harvey, 2005) – in the 'post-political' city (Swyngedouw, 2007). City branding and investments in infrastructure, waterfront redevelopment and other large-scale urban development projects are well known elements in the entrepreneurial ethos. In an effort to fuel the urban 'growth machine' (Molotch, 1999), political and economic elites try to attract global capital to their city's commodified land resources. The reduction of public subsidies and regulations, the aggressive promotion of real estate development and the privatisation of previously public services are the general paths of a neoliberal turn for most cities (Hackworth, 2007).

Asian cities are no exceptions to these processes. Under the pressures of severe territorial competition and mass outward capital flow, Taipei is undergoing a neoliberal turn as well. In this chapter, we examine processes of neoliberal urbanisation in an attempt to characterise the period of 'roll-out' neoliberal policies/governance and planning (Larner, 2003; Tickell & Peck, 2003) and the recent stage of 'roll-about' neoliberalism (Smith, 2008b) in an attempt to tease out central elements in the 'prevailing pattern' (Peck, Theodore, & Brenner, 2009) of contemporary East Asian urbanism.

9.2.1 Operationalisation and Conceptual Framework

Urban political coalitions and institutional setups are temporally and spatially particular. However, responses to the challenges of globalisation and post-Fordist structural and spatial transformations have been rather uniform across space (Swyngedouw et al., 2002). It is important to illuminate the notion of 'actually existing neoliberalism' (Brenner & Theodore, 2002) by identifying temporally and spatially particular urban governance in Taipei in tackling the common globalisation challenges that Asian cities are facing, especially with the ascent of China's economy. Although local politics matter, the task for scholarly work is not just to document the contingent factors that have been conditioning the pathway of neoliberalisation for a certain city. More important is to examine the structural force(s) that might differ from elsewhere in order to reveal the political-economy path of neoliberalisation that concurrently is reordering and reshaping the city. For this reason, the 'glocalisation' (Swyngedouw, 1997; Swyngedouw et al., 2002) processes of neoliberalisation in Taipei's context shall be examined through the concurrent processes of democratisation and globalisation. In other words, to reveal the actualisation of Taipei's neoliberal urbanisation, one has to examine it through the parallel processes

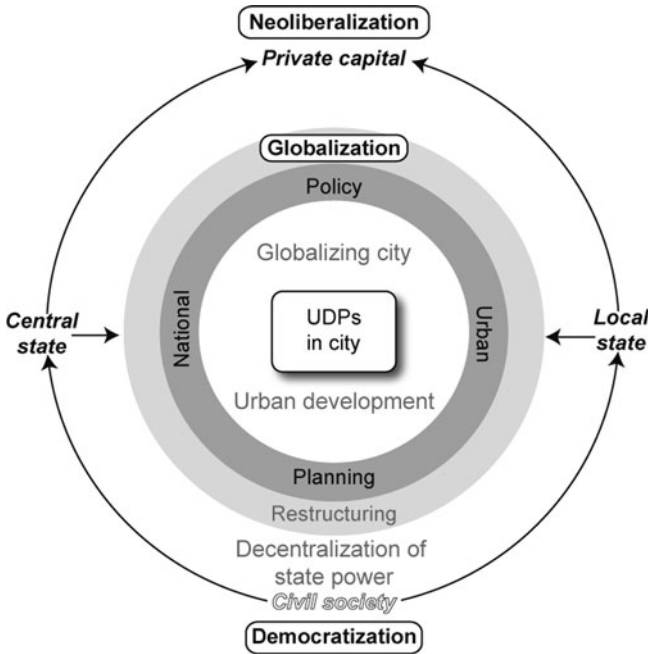


Fig. 9.1 Conceptual framework
 Source: By authors

of globalisation, democratisation and neoliberalisation. The following conceptual framework (Fig. 9.1) is used to locate neoliberalism in Taipei’s case.

9.3 Neoliberal Turn of the State in Taiwan

9.3.1 Policies of Deregulation and Privatisation

Taiwan’s economy has entered into a post-industrial stage since the late 1980s as part of the rapid and dynamic reorganisation processes of global and regional economies. In response to this, the Taiwan government did make efforts to transform itself toward a neoliberal state by embracing policies of deregulation and privatisation. The deregulation policies included breaking up the monopolies of certain capital- and technology-intensive industries, and deregulation of financial institutions. Privatisation policies included state operated and monopolised enterprises, state owned land plus allowing private companies to bid on infrastructure projects. Table 9.1 shows the brief history of deregulation and privatised legislations in Taiwan since the late 1980s.

From Table 9.1, we can see that Taiwan started implementing the policy of deregulation of financial institutions in 1989; followed by privatising the state-operated

Table 9.1 Deregulation and privatised legislations in Taiwan since the late of 1980s

Year	Law	Category
1989	Revising 'The Banking Act of The Republic of China'	Financial liberalisation
1989	Executive Yuan established a 'Task Force for the Implementation of the Privatisation of National Corporations.'	Privatisation of state-owned enterprises
1991	Enacting 'Act of Privatisation of Government-Owned Enterprises'	Privatisation of state-owned enterprises
1994	Enacting 'Act for Encouraging Private Participation in Transportation and Communication Infrastructure Projects'	Encouraging private capital's participation in public work
1996	Enacting 'Telecommunications Act', establishing Chunghwa Telecom Co.	Liberalisation of monopolised industries
2000	Enacting 'Law for Promotion of Private Participation in Infrastructure Projects' ^a	Encouraging private capital's participation in public work
2000	Revising 'National Property Act'	Privatisation of public land
2001	Enacting 'Petroleum Administration Law', permitting businesses for an oil refinery	Liberalisation of monopolised industries
2001	Revising 'Regulations Operating and Governing Public Land'	Privatisation of public land
2002	Revising 'Act of Privatisation of Government-Owned Enterprises'	Privatisation of state-owned enterprises
2002	Enacting 'Regulations on Operating and Governing National Assets Unified'	Privatisation of public land
2002	Enacting 'Regulations Governing National Assets'	Privatisation of public land
2002	Enacting 'Organisation Regulations for the Establishment of the Committee on Operating and Managing National Assets'	Privatisation of public land

^a It's basic law for BOT (Built-Operate-Transfer)

Source: Adapted from Jou, Wu, and Chiang (2009, table 1, p. 19)

monopolies. Beginning in the second half of the 1990s, the Taiwanese government initiated a process of privatisation of large state-owned monopolies including Chinese Steel (1995), Chang Hwa Bank (1998), and Taiwan Fertilizer Company (1999). In addition, efforts were also made to privatise petroleum and telecommunication businesses. 1994 and 2000 some new laws were passed to encourage the public-private partnerships and privatisation of public works and public services providers. To foster this policy, the central government began massively selling state-owned land with the intention to relieve the public deficit in general and the financial burden on public works and services in particular.

9.3.2 *Privatising and Democratising the Urban Development*

Implementation of deregulation and privatisation policies enforced changes in local development. For instance, by removing the cap on the foreign exchange market

Taipei City forged an even closer link between Taiwan and the global economy. Liberalisation of financial market increased Taipei's ability as a globalising city to enhance flow of capital. In addition, privatisation of public land dramatically changed the spatial process of development in Taipei due to the fact that the government owned a great proportion of land in the City of Taipei. Furthermore, by changing laws, the central government now not only allowed, but also even encouraged private capital to invest in some key public work projects. It changed the urban development model from one solely government-controlled to the one characterised mainly by public-private partnership.

Along with Taiwan's neoliberal economic turn, it is necessary to stress that democratisation was taking place at the same time. Prior to the lifting of martial law, Taiwan was a schoolbook example of an authoritarian developmental state. After 1987, it was quickly transformed into a pro-market developmental state, with rapidly and loosely installed neoliberal politics. Democratisation empowered the local state with more autonomy than before, which made a great impact on Taipei's urban politics and governance by giving Taipei municipal government a leading role in channelling private capital to urban development. The activation of citizen participation and the engagement of civil society organisation in urban development have been spurred to a great extent under the democratising transformation since the mid 1990s (Huang, 2005). However, there is limited involvement by NGOs or citizens in the four large-scale projects to be discussed in this chapter, in spite of democratisation and the transformation of civil society.

Taipei was transformed into a neoliberal city through economic processes that characterised its function as an interface city with its economic base gradually shifting into knowledge-based activities since the mid 1980s (Hsu, 2005). These processes have also promoted some Taiwanese enterprises to become key members of the 'Dragon Multinationals' (Mathews, 2002). These multinational players greatly enhanced Taipei's role in controlling and commanding functions and increased Taiwan's growth in producer services (Ching, 2005). Under the economic restructuring, the major industries that sustained and enhanced the competitiveness of Taipei's economic base had changed from labour-intensive to technology- and capital-intensive industries. At the same time, Taiwan's democratic transformation also has expedited a direct mayor election in 1994, giving the elected mayor stronger political powers in policy making than had ever been possible before. This also sped up the transformation of Taipei into a neoliberal city with the diminishing funding aids and subsidies from the central government for municipal expenditures and development outlays, while at the same time facing a more severe and intense territorial competition with global and regional markets.

9.4 Re-ordering Taipei's Economic and Spatial Structures

As the capital city of Taiwan, Taipei's urban functions are closely tied to national economic policies. Before the 1960s, Taipei was a major distribution centre for agricultural products and the main consumption centre in Taiwan (Chou, 2002).

Following Japanese urban planning, Taipei's central business centre had been built around the Taipei Railway Station in the western core of today's spatial structure. Taipei was planned and constructed as a single nucleus city. Starting in the 1960s, due to the boom of export-oriented industries (EOIs), Taiwan was integrated into the global economic system. A large number of workers moved from the countryside to Taipei and its surrounding satellite cities in order to find employment opportunities. This mass population shift accelerated Taipei's urbanisation process. Both Taipei's political and economic centres began expanding toward the eastern part of the city from the Taipei Railway Station led by nationally owned businesses such as Taiwan Fertilizer, Taiwan Sugar, Taiwan Power and China Airlines who chose to locate their headquarter offices in the eastern district of the city. More financial institutions, service industries, mass media and cultural industries were also attracted to locate in the eastern district (Chou, 2003). The 'East District' was modern Taipei at that time, in contrast to the older and crowded 'West District' nearby Taipei Railway Station. The implementation of the 'Xinyi Planning District' development plan in late 1970s was the key project and a showcase that established the East District as the second business centre, or as a sub centre of Taipei city. The spatial structure of Taipei became a dual nuclei city. (see Fig. 9.2)

In the late 1980s, Taiwan underwent a process of deindustrialisation related to global and regional economic reorganisation process. The number of financial, insurance, service industries in Taipei increased significantly, while most manufacturing industries moved out of Taipei to Southeast Asia and China (Ching, 1999). Since then, Taipei has become the headquarters of those international corporations. The changes in industrial structure demonstrate that Taipei was beginning to function as a control and command centre within global economic networks (Chou, 2003; Jou, Hsiao, & Chen, 2006). The urban spatial structure of Taipei city changed accordingly. The Ministry of Economic Affairs decided to build Taipei International Convention Centre in the Xinyi Planning District. The goal of this project was to establish Xinyi Planning District, which is one of the cases in this chapter (see Fig. 9.2), as an international trading centre. Together with the implementation of several more deregulation policies, Taiwan government aimed to construct Taipei as a global city.

At the end of 1980s, facing serious regional competition from China, the Industrial Development Bureau of the Ministry of Economic Affairs proposed the Nankang Software Park Developing Plan, which is the second case study in this chapter (Ben & Ma, 2005). The goal was to transform a site housing traditional manufacturing industry in the outskirts of Taipei to a centre for computer software design. Additionally, Taipei municipal government proposed to build Neihu Light Industrial Park, which is the third case study in this chapter, in the reclamation area from Keelung River Straightening Project to relocate manufacturing activities scattered within the city boundary.

Yet, all these three large-scale urban development projects were not implemented until the late 1990s (see Fig. 9.3). Then the actual plans of these economic transformation projects were modified. The first project, Xinyi Planning District did not attract as many international companies to set up their headquarters as

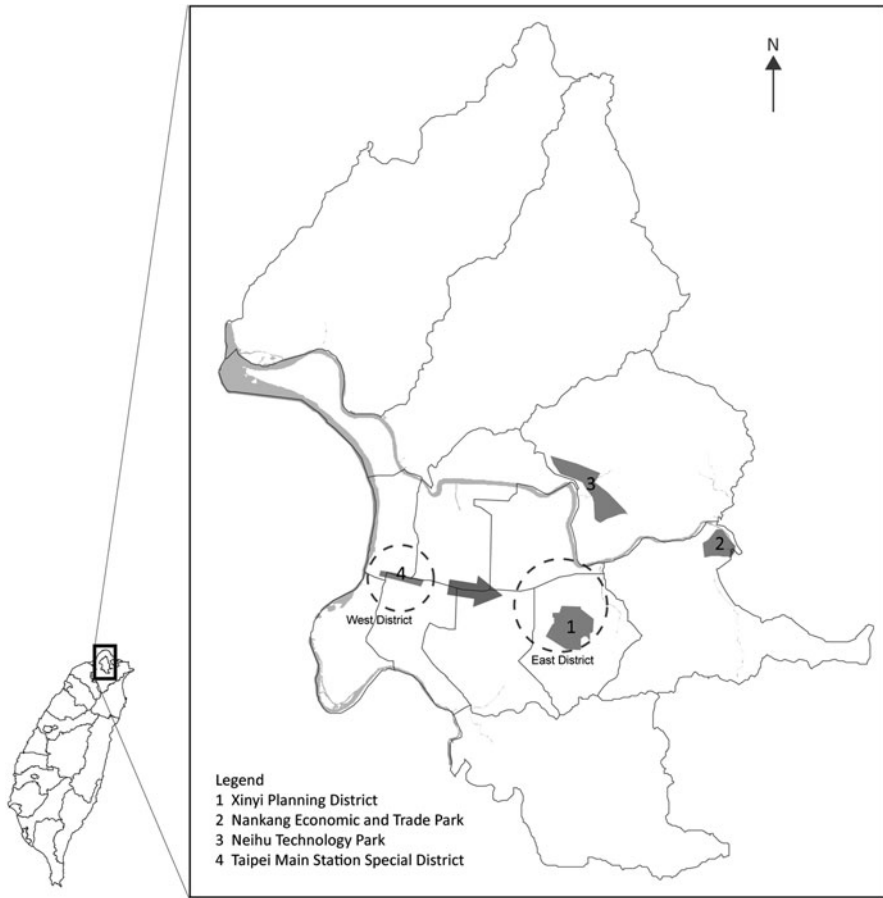


Fig. 9.2 Locations of four large-scale UDPs
Source: Adapted from Jou et al. (2009, figure 2, p. 20)

planned (Wang, 2004). Instead, the high-end entertainment/leisure clubs and luxury condominiums that were built within the district initially began to generate the real estate game for the whole city (Chou, 2003; Lin & Jou, 2005). Development of the high-income residential areas and the high-end consumption centre preceded the formation of a new city centre later surrounding Taipei 101. In addition to the mission of engineering Taiwan into one of the software kingdoms in the world through development of Nankang Software Park, the second large-scale project, another World Trade Exhibition Hall, several super shopping malls and high-class hotels were added into the development plans to upgrade it to a commercial and trade park as well. The third project, Neihsu Light Industrial Park, was renamed Neihsu Technology Park and the final development was quite different from the original plan. It has developed into an inner-city technology park, part of the high-tech

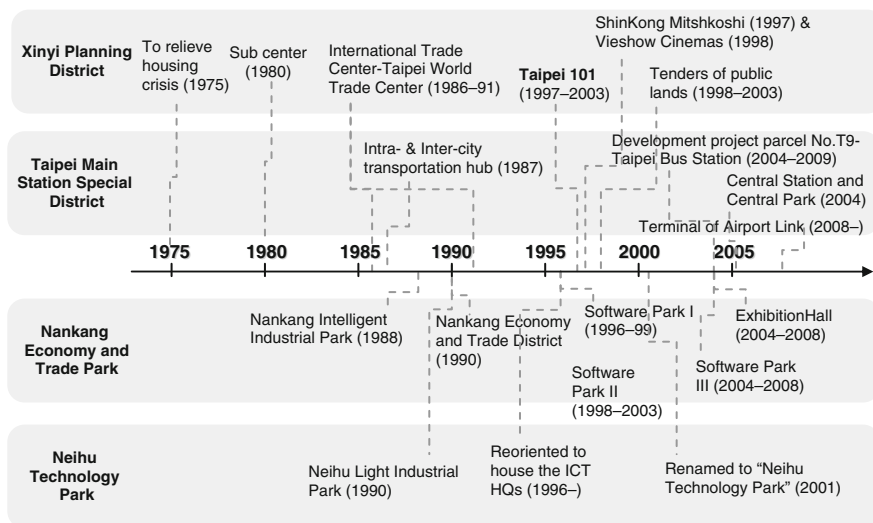


Fig. 9.3 Transition of developmental goals and key events for the four projects

Source: Adapted from Jou et al. (2009, figure 3, p. 22)

corridor in northern Taiwan, to attract a concentration of the headquarters and R & D centres for ICT industries.

The development of Xinyi Planning District, Nankang Economic and Trade Park, and Neihu Technology Park boosted housing prices in the surrounding areas and created a new spatial structure and economic landscape in Taipei. It not only transformed Taipei into a multinuclear city, but also enhanced linkages between Taipei and the global economic system. Along with the three development projects located in the eastern part of Taipei City, a redevelopment project in western Taipei was started in the late 1990s. In response to the needs of a post-industrial transformation in Taiwan, the Taiwan government decided to build an airport link connecting Taipei Main Station and Taoyuan International Airport. This transportation infrastructure project contributed to the redevelopment of the central rail station area. The Council for Economic Planning and Development completed a research report on 'Doubling Tourist Arrivals Plan – Improving the Environment of International Gateways' in 2004. The report introduced the concept of a redeveloped Taipei train station and surrounding area into a 'Central Station' with a new 'Central Park', which is the fourth case in the chapter (Chiang, Jou, & Wu, 2010). The goal of this redevelopment plan was to transform Taipei train station area into 'Taipei Main Station' with in-town check-in services for international tourists, which would make the Taipei train station become Taipei's new international gateway. In 2006, Council for Economic Planning and Development enacted the 'Program for Expediting the Implementation Urban Renewal', which assigned 'Taipei Main Station Special District' as the first redevelopment project under the national program of promoting urban renewal. It also encouraged massive amounts of private investment in public

development projects. As the renewal projects are completed, Taipei Main Station Special District will be transformed into an upscale service and global entertainment centre with several landmark buildings, five star hotels, and upscale shopping malls and luxury condominiums. The renewal of Taipei Main Station Special District is expected to enhance the global function of Taipei.

Xinyi Planning District, Nankang Economic and Trade Park, Neihu Technology Park and Taipei Main Station Special District transformed Taipei from a mono-centric industrial city to a poly-centric post-industrial city. In the following section we will discuss how these four large-scale projects were also part and parcel of the transformation of Taipei into a neoliberal global city. The analysis will focus on the power struggles among the central state, local state and private capital with their main contentions centering on land ownership and real-estate development.

9.5 'Landing' Four Mega-Projects in Taipei

The four large-scale development projects: Xinyi Planning District, Nankang Economic and Trade Park, Neihu Technology Park and Taipei Main Station Special District took over 15 years to develop from proposed to completion. Examining their development process, one can find that they experienced modification, paves and shifts in tempo due to changes in the social, political and economic environment. The most crucial of these emanated from problems in land acquisition and resulted in reduced volumes and delays in development. However, their progression witnesses the process of 'land grabbing' through the privatisation of state-owned land, so as the shift toward entrepreneurship in urban governance.

9.5.1 *The Initiatives: Land Acquisition and Changes in Land Ownership*

In Taipei, land acquisition plays a critical role in the implementation of urban development or redevelopment plans/projects initiated by state(s). Xinyi Planning District Development Project was not executed until the 1990s due to conflicts over land acquisition. In late 1990s, two key developments helped to move the plan forward and both are directly related to liberalisation and democratisation processes. First, public land was privatised. Second, the Taipei municipal government modified land-use plans. Even though the privatisation of public land led by central state plays an important role to facilitate urban development, particularly for large-scale urban development projects, those governmental agencies holding the land and having the legal right of ownership are not necessarily willing to cooperate with the execution of projects. This situation becomes a dilemma for the execution of urban development project after the democratisation of the political regime in Taiwan, which seldom occurred during the ruling of authoritarian regime before the 1990s. In the face of this situation, a neoliberalising local state will usually engage

in actively mobilising some of its legal and administrative rights, particularly to draw and review the urban planning and zoning codes, to facilitate the realisation of large-scale urban development projects.

For example, the first elected mayor of Taipei, who was eager to show his achievements in pushing forward the development of Xinyi Planning District to obtain support from public opinion, by pushing the central government agency (Ministry of National Defense) to privatise more state-owned land and by changing the urban planning laws to solve the problem of land hoarding both by the public and private sectors (Jou, 1997). In the meantime, in demand for funds to rebuild military dependents' communities, the Ministry of National Defense increased willingness to privatise several large parcels that attracted developers. Since the late 1990s, land and housing prices in the Xinyi Planning District have consistently been the highest in Taipei (Lin & Jou, 2005) and at that time several key development projects in Xinyi Planning District were launched, including Taipei 101 (1997–2003), ShinKong Mitsukoshi Department Store (1997), and Vieshow Cinemas (1998), to definitely turn Xinyi Planning District into an upscale business and entertainment centre in Taipei. Xinyi centre became the paradise of real estate game to boost land prices to another high peak after the late of 1980s (Jou, 1997, 2003).

The development of the Nankang Economic and Trade Park Development Project, conducted by a group of central state agencies including the Ministry of Economic Affairs, Council of Economic Planning and Development and the Industrial Development Bureau, faced similar difficulties in land acquisition. The plan was approved in 1988 but was not started until 1996, due to delays in land acquisition. Most land in Nankang Economic and Trade Park was owned by the state-owned Taiwan Fertilizer Company that was eager to sell the land at higher prices. In order to speed up the land deal, Taipei municipal government reviewed the urban plan and conducted a land consolidation process that offered Taiwan Fertilizer Company higher land benefits as incentive (Jou, 1997). The land acquisition was funded by 'Industrial Park Development and Management Fund' from Industrial Development Bureau, which indicated a strong support from the central state, combined with a 35 million NT dollars loan from multiple banks. Once the land acquisition was completed, the project progressed rapidly.

Taipei Main Station Special District Development Project was approved in 1987. However, the first step was not implemented until 2002, when Taipei municipal government invited bids for Development Project Parcel No.T9, now the Taipei Bus Station. The challenge was again the difficulty of land acquisition as well as limitations imposed by land use regulations. And again, the biggest land owner was a public entity: Taiwan Railways Administration. Back then it was operated by Taiwan Province, which refused to be part of the development plan due to financial problems. Not until 1998, when there was a change in ownership of Taiwan Railways Administration from Taiwan Province to the Ministry of Transportation and Communications, did momentum for the plan pick up. In 1997, in an attempt to revive the housing market, the central government changed the land use regulations, allowing the transportation infrastructure to have commercial uses. In 2002, the

Ministry of Transportation and Communications modified the 'Railway Law' and allowed private companies to team up with the Taiwan Railways Administration to invest in the development plans.

Unlike the three development projects above, there was no single landowner in the Neihu Technology Park project. The 143 ha were owned by many private entities. The zoning code was agriculture use. In 1990, Taipei municipal government completed the 'Neihu Light Industrial Park Management Bylaw' which aimed to relocate manufacturing factories that had been operating illegally without permits within the city. In adding the restoration area acquired from Keelung River Straightening Project, Taipei completed assemblage of the Neihu 6th Re-planning District. However, it did not attract any factories to move in due to high land prices. In 1995, Farglory Realty, which owned a great portion of land in the area, built the first high-rise office building in Neihu Technology Park. Although the high-rise office building was against the zoning regulations, Taipei municipal government still approved the permit since the City was eager to develop the technology park. Since then, many high technology companies including BENQ, Senao, and Compal have relocated their headquarters into the Neihu Technology Park. Since 1999, Taipei municipal government has modified the law seven times and renamed the Park to allow for more diverse enterprises (Chu, 2004). In this case, the Neihu Technology Park project was driven by private capital, which was much stronger than the government's plan.

Land ownership and 'land acquisition' are the two pivotal issues in implementing these four key development plans. Land grabbing through land acquisition, and thus privatisation of public land, plays an important role. In these four development plans, most of the land was grabbed from either the central state or the local state (municipality) as part of a neoliberal transformation process happening in Taipei. The 'success' or 'progress' of the projects are consequently a land grabbing process that are paving a convenient way for private capital by privatising state owned land. Next, we will discuss the land development models for analyzing public-private partnership, another favourable mechanism of development utilised by neoliberal state, and power struggles between central state, local state and private capital in these four development plans.

9.5.2 The Land Development Models

In the three development projects conducted by the government, including the Xinyi Planning District, Nankang Economic and Trade Park, and Taipei Main Station, there are two land development models which can demonstrate the entrepreneurship promoted by neoliberal state to deliberate those projects: (1) selling large areas of publicly owned land; (2) forming a public-private partnership. In the case of Xinyi Planning District, the Ministry of National Defence sold a large piece of land to private sectors in order to finance its Military Dependents' Villages Renewal Project. In addition, Taiwan Motor Transport Company sold land within Taipei Main Station District at a record high price in 2007. The sales of these large publicly owned

plots of land increased the 'rent gap' in the surrounding area (Clark & Gullberg, 1997). This has happened very often when the state sold large piece of land to consortiums, which indicates its intentions of forming politico-economic coalitions to boost property values.

A public-private partnership, another neoliberal ideology in advocacy of market efficiency in urban governance, describes a government service or private business venture funded and operated by way of a partnership of the government and one or more private sector companies through either one or two different models: Public-private co-development or Build-Operate-Transfer (BOT). To initiate the Nankang Technology Park Development Plan, the Industrial Development Bureau, representing the central government, allotted funds to partner with a private developer to establish the Century Development Corporation and complete the first two construction phases. Also, the Industrial Development Bureau modified the park management bylaws from 'rental only' to 'for sale' for the land and the facilities in order to gather more capital. This 'creative'⁴ institution of public-private co-developing indicates that the central state was attempting to cope with the urgency of industrial transformation and the difficult position of its finances. In this public-private partnership model, both the public (Industrial Development Bureau) and the private (Century Development Corporation) were the two key investors. Taipei municipal government cooperated with those two investors by changing zoning, land use types, and land use regulations to make sure the Nankang Technology Park was completed.

The Build-Operate-Transfer (BOT) model was implemented more often in the later development projects, such as the Taipei 101 high-rise mixed use building project, Development project parcel No.T9 (now Taipei Bus Station), and the Terminal of Airport Link Project. In a BOT model, the private sector designs and builds the infrastructure, finances its construction and owns, operates and maintains it over a period, often as long as 50 or 70 years. This period is sometimes referred to as the concession period. Traditionally, such projects provide for the infrastructure to be transferred to the government at the end of the concession period. Depending on different land ownerships, there are two types of BOT model.

The first type of BOT was the one followed by Taipei municipal government when it led the development and tendered the invitation process on the public land owned by Taipei city government in Xinyi Planning District. Being part of the 'Asian Pacific Business Centre' plan, which was conducted by Ministry of Economic Affairs, Taipei municipal government changed the land use code for parcels A22, and A23 to allow private developers to design and build the Taipei International Financial Building (now Taipei 101). Other city owned parcels, A9, A12, and B5 were developed in the same method. The land development purpose and usage of these BOT development projects were in the control of the private developers.

The other BOT model is that the public teams up with private developers to conduct the development plan together. 'Development project parcel No.T9' in Taipei

⁴ A term tends to be celebrated by those self-identified entrepreneurial cities.

Main Station District was one example. The central state drafted the development project plan and then the local state (Taipei municipal government) executed the plan by holding public workshops, issuing requests for bids, and setting up the project contracts (Chang, Li, Lin, & Jou, 2005). Taipei municipal government worked together with the Taiwan Railways Administration, a private developer (Radium) and other private landowners to develop the scope of work for the development project. In this case, the involvement of the central state was only through the beginning stage and set up the main principles; soon after the development plan was drafted, the local government took it over. The BOT model was modified constantly in response to the dynamic relationship between the public and private. Bids for the Development project parcel No.T9 failed twice because the BOT premium was too high for any developer to bid on the project. The Taipei municipal government subsequently changed the contract to allow developers and investors to pay off contract premiums in multiple payments (Liang, 2007). The new contract also agreed that developers and investors could pre-sale office and housing space to recover investments quickly. The changes to these BOT models are much more favourable for the private investors. In sum, the public-private development models demonstrate that the central government only directs the master plan of a large area but leaves considerable flexibility for the local state and private developers to co-operate.

Neihu Technology Park is an example of another type of public-private partnership, where private investors facilitated by deregulation policies drove the land development. However, the involvement of Taipei municipal government included modifying the zoning and the land use regulations, and legalising the manufacturing factories, as well as renaming 'Neihu Industrial Park' to 'Neihu Technology Park', establishing the Management Centre, and maintaining service stations thus taking a key role in the development plan.

9.6 Power Struggles Among Central State, City State, and Private Capital

It is not surprising that all four mega-projects were conceived and driven forward around the middle of 1990s when Taiwan and Taipei were undergoing post-industrial transformation. At that time, it became more evident that both central state and local state had to find way out under global and regional economic competition, though severe political tension still existed between two sides of Taiwan Strait. On the one hand, the central state needed to solve Taiwan's serious economic dilemma of economic integration with China; on the other hand, at the side of local state, the elected mayor who belonged to the opposition party to the national government was keen to accomplish flagship projects in his term as his political assets for winning the next election. Due to the exercise of party politics, so as the different logics and rationales laid behind actors of the central and local state who participated in the urban mega-projects, power struggles in the developmental processes do matter in shaping Taipei's neoliberal urbanisation and its tempo, particularly at

the stage of land acquisition and ownership transition as discussed in earlier part of this chapter. As a developmental state, Taiwan's central state has always played an important role in leading spatial planning and regeneration projects to enhance local and national economic development. Yet, we find its intervening power has been weakening, albeit strong state intervention in urban and economic development used to be significantly characterised by the developmental states in newly industrialised economies of Asia (Douglass, 1994).

In understanding the above transition, firstly, we need to discuss the new conditions for state intervention. Owing to specific political and economic history, the central state received large amounts of public land inherited from Japanese colonial government. In the projects of Xinyi Planning District, Nankang Economy and Trade park, and Taipei Main Station Special District, the most important landlords were government agencies (Ministry of National Defense) and state-owned enterprises (such as Taiwan Fertilizer Company and Taiwan Railways Administration), which gave the central state advantages to control the direction of Taipei's urban development. In addition, the central state legally has superior power in policy making and mobilising financial resources, which means that Taipei municipal government still have to submit development plans under central state's guidance. This sometimes caused problems since there are serious party conflicts in Taiwan, especially when different level of state bodies belongs to different political parties. However, democratisation and neoliberalisation have weakened the central state's role since the mid of 1990s, even though the central state has the legitimacy to initiate projects for local development. The weakening of central state's power is shown as the projects moved into the implementation stage. In lack of authoritarian role in coordinating the projects, all these projects were delayed for more years than planned. It becomes quite clear while we scrutinise the process of land acquisition and the proceedings of public-private partnership. The central state's role was downgraded to a supporting and co-operating one to private capital, when the central state has problem in coordinating land acquisition and assemblage, then the laws would be revised and new institutions be established. From this point of view, the central state used deregulation and privatisation policies not only to react to the logics of transnational capital, but also to appeal local state and private capital to grow the national economy and to consolidate the ruling power.

The autonomy of the Taipei municipal government significantly increased within the state bodies after the mid 1990s. This does not mean that it owned the power and capacity to lead major urban economic policies, but its autonomy does play an important role in triggering the development. Both Xinyi Planning District and Nankang Software and Economic Trade Park projects were triggered by the elected mayor who tried to build good relationships with national enterprises to offer them more benefits by flexibly using some development tools, such as reviewing urban plan, zone expropriation and land consolidation. In the case of the Taipei Main Station Special District, the Taipei municipal government was responsible for most of the negotiations in the public-private partnership of the Development project parcel No.T9, which is also a joint-development project of the central government and Taipei municipal government. Then, in the case of Neihu Technology Park the

Taipei municipal government tacitly permitted the illegal development led by a private developer first and then enthusiastically assisted other firms by allowing the 'on-the-spot' legitimisation of land use (Chu, 2004; Ma & Ben, 2006). These events indicate that some of the development powers had dispersed from central state to the Taipei municipal government. These also show that Taipei municipal government began to pursue strategies of promoting the economic transformations by flexibly using its legal authority. However, it does not mean that the Taipei municipal government had the sole role and capacity to lead the local economic transformations. In both the Neihu Technology Park and Nankang Economy and Trade Park projects the Taipei municipal government did not aggressively participate until these two development projects had positive results in land acquisition and ownership transfer. In short, to facilitate the urban economic transition and to accumulate political capital for the newly elected urban regime, the Taipei municipal government implemented the will of central state and private capital by flexibly using its power of urban planning.

On the side of private sector, both central state and Taipei municipal government increased their reliance on private developers in urban development. The serious financial deficits that the central state faced from the mid 1990s provided a great opportunity for private capital to take part in public infrastructures. Some important laws like the Urban Renewal Act, the Law for Promotion of Private Participation in Infrastructure Projects as well as other laws that were issued by central state after the mid 1990s are all designed to provide legal bases for channelling the private capital to support the provision of public works and public services. In fact, the public-private partnership was promoted even before the formal institution, such as BOT, was exercised as in the case of Taipei 101. The assumption that private capital is more sensitive to 'market needs' and changes than government was integrated into the decision making process of urban development projects in early 1990s. It became evident in the high-tech turn of the Neihu Technology Park project that the land use codes could be 'flexibly' changed to legalise some commercial property development in meeting the 'market need'. In addition, since the model of BOT has become quite a popular model for large scale mega-projects and the fact that BOT contracts are more and more favourable for private capital, private capital can play a dominant role in deciding the timing and speed of urban development. For private capital, what keeps them continuously cooperating and negotiating with Taipei municipal government is that they can accumulate their own economic capital, those projects appear to be the chips to exchange for more resources, services and development terms by transferring the public land in particular into private profit.

9.7 Conclusions

The chapter illustrates how processes of capitalist expansion, also in East Asia, are accomplished through privatisation of social spaces and services – forms of accumulation by dispossession. To understand contemporary East Asian urbanism, we

have examined the neoliberal turn in Taipei. Taiwan experienced neoliberalisation and democratisation simultaneously from the end of the 1980s, which has led to profound contradictions of the neoliberal planning paradigm in Taiwan. On the one hand people now formally have more influence on decision-making processes through elections. On the other hand, however, processes of capitalist expansion through classic neoliberal strategies of deregulation and privatisation have decreased people's collective access to social spaces and services.

During this period, Taiwan has been through rounds of deregulation and privatisation of sectors like banking, communication, transport, electricity, water, waste management, public housing and land. The main focus is here on the latter since it plays a central role in understanding the power struggles among central state, local state and private capital. In order to understand the path-dependent relations between neoliberal projects of restructuring and inherited institutional and spatial landscapes (Peck et al., 2009), four mega-projects has been analyzed in depth to expose Taipei's version of neoliberal urbanism.

The process of neoliberalisation in Taipei differs from the experiences of most western cities, connected as it is to the transition from (authoritarian, centralised) developmental state to an electoral based, neoliberal state. The central state continues to execute highly intervening practices through urban development plans and 'divide and rule' power strategies. It is a myth that the neoliberal project has been about minimising the role of the state per se. It has rather been about protecting certain class interests (Harvey, 2006), sometimes through minimising state control (e.g. deregulation of the financial sector and privatisation of public assets) but sometimes through increased state control (e.g. zero tolerance policies and control over land use). In *First as Tragedy, Then as Farce* Slavoj Žižek talks about the contradictions of the state-capital relationship:

Perhaps therein resides the fundamental "contradiction" of today's "postmodern" capitalism: while its logic is de-regulatory, "anti-statal," nomadic . . . and so on, its key tendency [is] a strengthening of the role of the state whose regulatory function is ever more omnipresent. (2009, p. 145)

State authoritarianism makes the neoliberal machinery of global capitalism run more 'smoothly'. Taipei municipal government has had more autonomy in urban development and policy making since the middle of the 1990s. Nonetheless, there has been limited involvement by NGOs or citizens in the four large-scale projects analyzed in this chapter, in spite of democratisation and the transformation of civil society. In addition, it is worthwhile noting that private capital began to play a significant role in urban transformation and urban politics through new government-business coalitions based on land development.

Our findings suggest that intricate relationships exist among central state, local state and private capital. Sometimes they struggle with each other; the central state holding the dominant role in controlling the sale of public lands, the local state striving to expand its limited autonomy by using development tools, private capital securing building rights through financial advantage and intimate knowledge of the

property market. However, for various reasons, they regard it as their own best interests to compromise and co-operate with each other most of the time. Maintaining the balance between competition and co-operation is a particular form of 'flexibility' – a bargain encompassing political legitimacy at various scales and the pursuit of profit – constituting the urban political character of neoliberalising Taipei.

To sum up, our findings suggest that private property rights have been established as the most dominant right to the city, also in Taipei. Strategies of 'flexible' accumulation by dispossession through 'land acquisition' – i.e. land grabbing via privatisation of public land – and property development are key characteristics of contradictory neoliberal planning of contemporary East Asian urbanism.

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Chapter 10

Neoliberalism, Shallow Dreaming and the Unyielding Apartheid City

Mark Oranje

Abstract Since coming to power in 1994, the governing African National Congress has expressed a clear wish for swift transformation of the segregated, unequal and inefficient urban landscape inherited from the apartheid regime. These (1) progressive driving ideas on ‘spatial engineering’ have, however, by and large run contra (2) the prevailing wishes and actions of property developers. Property developers. The result of this is a glaring disjuncture in the actual/experienced urban fabric between the two. In this chapter an analysis of this disjuncture is undertaken, focusing on two of the metropolitan municipalities in the country. While telling a unique South African story, the chapter connects with the international literature on the impact of neoliberalism on planning.

10.1 Introduction

Since the late 1980s, progressive planners, urban geographers, social scientists and politicians have been contemplating the restructuring of the Apartheid City (see inter alia Dewar, 1985, 1993; Dewar & Uytendogaardt, 1991; Mabin, 1991a, 1991b, 1992, 1993; Mabin & Smit, 1992). While it was uncertain how and when the actual change would take place, there was unanimity in both the desire and need for a fundamental restructuring of the fragmented, unequal and unsustainable settlement forms created by decades of colonial and apartheid rule. This sentiment was carried forward in the surge towards democracy after (1) the unbanning of the African National Congress (ANC) and a range of other political parties and (2) the release of Nelson Mandela and other political prisoners early in 1990 (see ANC, 1992). Hence, when democracy finally arrived in April 1994, it came as no surprise when the new democratic State made very clear pronouncements along the same lines. So for instance, strong statements were made about the need for (1) radical urban restructuring; (2) strong settlement management; (3) integration of land uses and different racial and income groups; and (4) the institution of a new legal and policy framework to effect these proposals (see ANC, 1994; Ministry in the Office of the President, 1995; Department of Housing, 1997).

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Today, seventeen years later, the outcomes are far from the high expectations of 1994. The perpetuation of many of the harsh conditions that marked life for the majority during Apartheid has been met with deep disappointment and despair (see Gevisser, 2009; Johnson, 2009). It has even, and with growing frequency, resulted in apartheid-era style uprisings, with people taking to the streets in ever larger numbers in what are euphemistically labeled 'service delivery protests' (see Alexander, 2010). From its side, the State has over the last five odd years responded with a series of reviews and actual and envisaged changes in policy focus and strategic direction.¹ In the world of academia, numerous studies have been conducted into the 'lack of delivery'. It is especially the schism between (1) policy and planning, and (2) implementation that has been an area of sizeable research interest (see Harrison, 2006; Marais, Everatt, & Dube, 2007; Merrifield, Oranje, & Fourie, 2008; Oranje & van Huyssteen, 2007; Todes, 2006). Much of this engagement with the issue, both by the State and the research community, has taken a strong governmentalist view, i.e. that the problems and accompanying solutions are to be found in the realm of the State (e.g. in the technical capacity/competence of officials; the quality and effectiveness of planning systems; the level of integration between planning, budgeting and implementation; the quality of organisational design and status of intergovernmental collaboration, alignment and harmonisation) (see Rhizome Management Services, Gemey Abrahams Consultant in Development Planning and Housing Policy, & Ivan Pauw Partners Attorneys and Conveyancers, 2010; Merrifield et al., 2008). In a number of cases, the lack of State power and the lackluster approach of the State to addressing the gaps, has been attributed to neoliberalism, with the global dominance and pervasiveness of global capital being very easily exposed as the primary perpetrator (see inter alia Bond, 2008; Hlatshwayo, 2007; Vavi, 2005).

In stark contrast to this, one of the key drivers of urban growth and renewal, i.e. the property development sector, has received barely any interest; the prevailing view seemingly being that the work of getting things corrected, lay with the State. In accordance with this perspective, 'the right/correct' regulatory framework, embraced by a 'strong State', and ably supported by well-researched incentives and disincentives, would secure/force private developer obedience/compliance. Whether this would actually be enough, whether the chosen instruments were the right ones, whether there were not better suited ones and whether the same or better effect/impact could not be ensured by other means, was not explored.

However, around four years ago, this gap in the field, i.e. the lack of research on property developers as key players in urban development processes, was identified by an NGO, Urban LandMark,² as an area in need of serious research. The

¹ The most recent of these endeavours, is the 'Local Government Turnaround Strategy' of the Department of Cooperative Governance and Traditional Affairs (2009). This strategy seeks to, as its name suggests, restore confidence in the local government sphere, re-establish links between local politicians, officials and communities, and 'turn around' the prevailing condition of weak service delivery prevalent in many municipalities in the country.

² Urban LandMark, which is primarily funded by the UK Department for International Development (DFID), has as its mission, 'to ensure greater access for the poor to urban land markets'

research reported on in this chapter has its birth in a response to the call for proposals by this NGO to undertake research in this area, early in 2008, and three subsequent studies conducted in 2009. In this chapter, these studies are reported on and used to explore the gap between the post-apartheid urban restructuring intentions and outcomes on a more broad-based, conceptual level. More specifically, the chapter seeks to do so by exploring the rationales, sensibilities and drivers of the private sector developer in the (ailing) South African urban transformation project. In accordance with the theme of this book, it focuses on the contradictions that have been created by neoliberalism for planners and politicians. In this engagement, it explores the ways and extent to which neoliberalism has created a setting of (perverse) rules and actions that facilitated the continuation, development and sustenance of the obstinate approaches and disobliging actions of property developers. In closing it posits some changes that will need to be made to reignite the passion and progression towards a truly new and transformed South Africa.

The chapter has four further sections. The first provides a brief overview of the post-apartheid urban reconstruction and transformation ideals and outcomes; the second, an overview of the studies and the findings; the third, a pursuit of explanations by exploring the contextual conditions within which the events unfolded; and the fourth, a quick rejoinder including a few proposals for change and a conclusion.

10.2 Post-apartheid Urban Reconstruction and Transformation Ideals and Outcomes

Following on from the progressive sentiments expressed in its 1994-Reconstruction and Development Programme (ANC, 1994), on which it also very successfully fought the first democratic elections in the country in April 1994, the ANC-led government wasted no time in putting in place the broad outlines of what it sought to achieve in urban South Africa. Within the space of two years, it published the *Urban Development Strategy* (1995), the *Development Facilitation Act* (1995) and the *White Paper on Public Transport* (1996). In the next two years it prepared the *Urban Development Framework* (1998), the *Green Paper on Development and Planning* (1998), the *White Paper on Local Government* (1998) and a policy document called *Moving South Africa* (1998). This was followed by the promulgation of three new pieces of local government legislation, i.e. the *Municipal Demarcation Act* (1998), the *Municipal Structures Act* (1998) and the *Municipal Systems Act* (2000). Midway through 2001, the *White Paper on Spatial Planning and Land Use Management* (2001) and a *Draft Land Use Management Bill* (2001) were published, and two years later the *Municipal Finance Management Act* (2003) was promulgated. Finally, a year later, the *Department of Housing* announced its new inclusionary and rapid housing provision policy, *Breaking New Ground* (2004). With that, government not only concluded a decade of major legal and policy statements on urban restructuring in South Africa, but also ended an era of action in this area, with no major new laws or policy documents to have emerged since then.

Outlined in these documents were the expectations, directives, guidelines and modalities for post-apartheid urban settlement planning, design, construction and management. Largely a mirror image of what had been regarded as 'good planning practice' internationally at the time, these documents included:

- Provisions for far more public participation and stakeholder involvement in settlement planning and budgeting;
- Normative principles to ensure far greater intensities and far higher densities and mixing of land uses, especially in nodes and corridors;
- Calls for far higher levels of economic activity, and the opening up of access for all to participate in the economy and share in the benefits of urban living;
- Directives for, and guidelines on the eradication of segregation of racial and income groups;
- Measures to ensure far greater integration between land use, mass infrastructure provision and public transport routes, a much higher quality public transport system and much greater use of it by all South Africans³; and
- Calls for the introduction of a new planning and governance system that would ensure greater synergy and integration between strategic local government planning, land-use management and land development.

Seventeen years have now passed since April 1994, and, in contrast to these ideals, the scorecard for urban South Africa on the six objectives is far from what had been hoped for:

- While *public participation* in planning by municipalities has improved, it has barely happened in the case of budgeting, and not taken place in a transformative way in the case of land development applications (see Marais et al., 2007). Much of this greater involvement has also tended to be of the compliance, tick-box variety, with involvement focused on small-scale, local service delivery issues with little focus or impact on macro-transformation.
- *Higher densities and intensities and greater mixing of land-uses* has taken place, but primarily in the former middle and higher-income areas, and in new suburban and exurban developments, often in the form of postmodern, 'New Urbanist', enclosed mega-projects (see Landman, 2007). The envisaged in-fill development, with low-income areas being located in closer proximity to employment opportunities and new economic activities being located in, or close to low-income areas, has been negligible (see Rode and Associates, 2009). In fact, the dominant mode of housing provision by the State for the poor has been of the sprawling, monotonous, low-to-no-diversity, one-house-per-minute-site type.

³ Public transport was largely developed in colonial and apartheid South Africa to transport Black South Africans to and from 'their dormitory townships' and the 'White-owned and controlled' Central Business Districts and 'White suburbs' (Oranje, 1999). While bus and train systems were also developed for 'White use', it was primarily targeted at 'lower income Whites' and White school children.

- While *urban populations have increased markedly*, urban economies have not seen the same kind of growth, and especially job growth has not kept pace with a rapid expansion in the number of especially young job seekers (Bhorat & Oosthuizen, 2005; Bhorat, Oosthuizen, & Poswell, 2005; The Economist, 2005; Fraile, 2009; Kingdon & Knight, 2005; OECD, 2010; Seekings, 2007).⁴ The result has been one of the highest unemployment figures amongst countries in the same GDP-bracket (Kingdon and Knight, 2005; OECD, 2010 and see Alemán, 2008; Jessop, 2002)⁵ and severe poverty levels – between 35 and 50% of the population live below the minimum living level (Desai, 2005; Meth, 2007; OECD, 2010; Pauw and Mncube, 2007; Seekings, 2007; The Presidency, 2006).⁶ This, it has been argued, has seen crime rise, which in turn has become a major inhibitor to local and foreign direct investment in potentially job-creating activities (Bhorat et al., 2005). As for the nature of the urban economy, in most cases, cities have seen a transition towards post-industrial, service-sector growth, and growing informalisation (South African Cities Network, 2004, 2006, 2011). It is especially the latter that has been driven by, and also acted as an attractor for traders from other African countries. The success of this group of traders, together with limited job opportunities and high levels of frustration with the lack of change, have led to ugly clashes between local and ‘foreign’ informal traders and even fatal xenophobic attacks (Hadland, 2008; Harris, 2002). On the more formal side of the economy, many urban areas have seen a proliferation of retail establishments and shopping malls have over the last five odd years also become a regular feature in many former ‘townships’ (Newmarch, 2006; Oranje, 2010, 2011; Smith, 2005).⁷ This phenomenon has been held up by township-residents as a sign that these townships ‘have arrived’, i.e. that such townships are now also ‘true/real suburbs’, and by politicians that they are proof that townships are now ‘safe for investment’ (Newmarch, 2006; Smith, 2005). At the same time, these malls have in most cases become stand-alone points of investment. In the process, some have argued, not only destroying the livelihoods of viable small-scale operators and informal traders, but also foreclosing any future start-ups (Ligthelm, 2010; Oranje, 2010; Tustin, 2007). Others,

⁴ The most recent country survey of the OECD indicates that South Africa’s economy has one of the lowest labour absorption ratios in the world – a meager 40% (OECD, 2010).

⁵ By the narrow definition used by the Central Statistical Office (Stats-SA) unemployment has hovered around 26%; others estimate it to be as high as 40% (Bhorat & Oosthuizen, 2005; Desai, 2005, p. 6; The Economist, 2001, 2005; OECD, 2010).

⁶ These figures vary in accordance with the use of different definitions and recording techniques (see Desai, 2005). Already 10 million South Africans out of a population of 47 million were living on government grants and transfers in 2005 (see Economist, 2005) and it said to have risen to around 15 million at the beginning of 2011. According to Desai (2005, p. 6) nearly 80% of the population relied on someone else in the household as a source of income in 2005.

⁷ A name given to areas that can cover large tracts of land in which African communities were congregated as part of the Apartheid rulers’ wish to prevent the African population from ‘coming to town’. While these spaces have high densities they have very few of the benefits of urban life and living and are more akin to urban ghettos than rural villages.

going further, have argued that the malls have essentially brought a point of super-exploitation and distortion of township residents' limited disposable incomes, offering them things they do not necessarily need nor want on their doorsteps (Oranje, 2011). Amidst all of this, the poor of whom the majority are still Black, still reside on the margins, ever further from economic hubs and trapped in massive low income estates in which access to basic municipal services has generally improved, but quality of life and life chances, have remained dismally low (Desai, 2005). In addition to this, the provision of basic municipal services has not only brought potable water, electricity and water-borne sewerage to millions of Black households, but also introduced new domestic anguishes, for, in the absence of a positive, real and sustainable change in household economics, their affordability and sustained provision has become a daily domestic challenge (Desai, 2005; Oranje, 2003).

- *Racial integration* has taken place, but primarily in middle and higher-income areas. As noted by Van den Berg (2005, p. 21), '*... although most Whites are affluent, they have been joined by large numbers of Coloureds, Indians and particularly now also Blacks, so that the dividing line between the affluent and the rest of the population is no longer race*'. A large degree of this integration has taken place in private-sector-driven, exclusive, walled, high-security, eco- and golf-estates that have become a prominent feature on the outskirts of many urban areas (Du Toit, Oranje, & Landman, 2008; Landman, 2007, 2008). Some of these estates even have their own schools, crèches, sport facilities, club houses and hotels. As such, they have been criticised for their exclusionary nature, their overt neo-apartheid appearance (i.e. security guards, high walls with electrical fences), their use of exuberantly huge volumes of water (in the case of golf-estates), their use of prime agricultural land for (luxury) housing, their 'clipping-out' of society and their perpetuation of separation (see Landman, 2007, 2008). Often, the high levels of violent crime besetting the country, especially the major cities, are offered as 'grounds for clemency'.⁸ Many of the residents of such estates are also quick to point out they are successful actors in the private sector who create jobs, contribute high levels of tax and spend huge amounts of money in the local economy. Also, they argue, the estates themselves create many construction and service jobs. *Integration in the case of different income groups* has seen far less progress, with the recent introduction of quotas of low-income housing units to be provided in every new property development, leading to small inroads, but with the macro-situation undergoing little change (see Du Toit et al., 2008). The most common occurrence of such integration has been in former low-income White areas where Black middle-income home buyers have bought properties to be closer to the center of the city while still being in close proximity to the townships for social interaction.

⁸ In 2003, the ratio of private security guards to the police force in South Africa was between 5 and 7 to 1 (Shearing & Wood, 2003, p. 402). In North America it was between 2 and 3 to 1 at the time (ibid.).

- As for the objective of *greater integration between land-use and public transport planning*, little has been achieved. Public transport is still viewed as the ‘grudge-mode’ for those that are not wealthy and fortunate enough to own a car (see Venter, 2011). With the exception of the mega-billion Rand high-speed ‘*Gautrain*’, which is geared towards the middle and higher-income groups, and where the train-stations are set to become high-property-value mixed land-use areas, transit-oriented development is still to make its way from policy and plan to practice. While the planning system and the property development sector may be questioned in this regard, the unwillingness by the powerful minibus-taxi operators to allow in the associated public transport modes, such as Bus Rapid Transport systems, has not assisted the process (see Schalekamp, Behrens, & Wilkinson, 2010).
- In the area of *planning and governance*, the outcome has been mixed. Despite high hopes and a real need for the introduction of a new progressive planning system, this has as yet not taken place, resulting in the continued use of pre-1994 Planning Ordinances. Far more has been achieved in the area of governance, where new policy and legislation has given expression to the far greater developmental powers allocated to municipalities in terms of the country’s 1996-Constitution. One of the major changes in this regard, has been the introduction of the five-year municipal Integrated Development Plan (IDP), which has to be prepared by every municipality in the country, and has to include a *Spatial Development Framework* (SDF).⁹ These SDFs, in turn, have to provide guidelines for municipal decision-making on land development applications and infrastructure investment, in so doing aligning (in theory at least) land development and land-use management with municipal strategic planning. In the area of land development and land-use planning, only one new, national planning Act, the interim *Development Facilitation Act*, 1995 (DFA) was passed.¹⁰ This Act was conceived as a temporary measure to (1) ‘buy time’ while a new planning system was being developed; and (2) provide a vehicle for ‘fast-tracking’ land development applications with progressive, developmental objectives (see Rhizome Management Services et al., 2010). However, in the absence of a new planning Act, it became a key part of the de facto post-1994 planning system. At the same time, the ‘special channel’ it provided for submitting ‘special’ land-development applications became to be seen (and used) as a ‘profitable’ alternative to the application-routes provided for in the pre-1994 planning legislation (Ibid.). Whereas the latter (ironically) enabled municipalities to use their IDPs and SDFs as strategic guides in decision-making on land-development applications, the post-1994 DFA enabled developers to submit applications to provincial governments and in doing so, ‘side-stepping’ the strategic plans and planning frameworks of municipalities (Oranje, 2009).

⁹ This was provided for in the Local Government: Municipal Systems Act, 2000.

¹⁰ The largely rural Northern Cape Province passed a new Act, the Northern Cape Planning and Development Act in 1998, but none of the others did so in anticipation of a/the new national Act.

10.3 The Studies

As noted earlier, four studies were conducted and their findings used in this chapter. The first study was undertaken in the first half of 2008 by the author and two colleagues under a contract for the NGO, Urban LandMark. It sought, through a series of case studies, to gain a better understanding of (1) the way in which urban land development and governance ‘actually works in practice’; (2) property developers and municipal officials’ perspectives on, approached to, and everyday experiences of urban land development; (3) the political, economic, and social factors that influence urban land development and governance; and (4) the nature of the interaction between property developers and municipalities. As such, it sought to move beyond policy and legislative frameworks and take a direct, first-hand look at a number of qualitative aspects surrounding property development in South Africa. This study was subsequently followed in 2009, by three studies by the author and four research students into (1) the drivers of property developers (Oranje, 2009); (2) perceptions of property developers of planning laws, systems and instruments (Nolte & Barnard, 2009); and (3) perceptions of officials and other professionals involved in the property development sector of property developers’ intentions and actions (Putter & van der Zee, 2009).

At the time that the first study was commissioned (late 2007), South Africa was experiencing one of the biggest and longest economic booms in its history (Du Plessis & Smit, 2007; Petruno, 2006). Property development was booming too, with especially the middle and higher income groups riding the wave (Du Toit et al., 2008; Rust, 2006, and see Stats SA, 2007, 2008, 2009). The financial recession had just begun in the USA, and South Africa, with its strong financial sector and good banking system, was smugly counting itself as ‘having escaped it’ (Marais, 2009). While there were hints that South Africa would soon be affected, it was widely assumed that the impact would not nearly be as severe as in the USA and Europe (see Marais, 2009).¹¹ And so, while the impacts of a ‘simmering recession’ were noted and observed in the study, it was not the focus of the commissioned research, i.e. the interactions between property developers and municipalities, and the way in which these were guided and influenced by municipal policies and plans aimed at ensuring a more sustainable, equitable and inclusive South African City. These interactions were studied by making use of nine case studies, and entailed (1) interviews with role-players (officials, property developers and town planners); and (2) analyses of consultants’ reports, municipal plans and official correspondences.

The second study was a continuation of some of the issues explored in the first, and sought to explore ‘the mind of the property developer’. As such it sought to probe how property developers approached their work, how they viewed the State, how and about what they make trade-offs, and what they considered to be ‘non-negotiable issues’ (Oranje, 2009). In order to provide multi-dimensional

¹¹ It is estimated that as a result of the recession, approximately one million jobs were lost in South Africa between late 2008 and early 2011 (South African Cities Network, 2011).

data and to assist in triangulating the data so gathered, interviews were not only conducted with property developers, but also with officials and town-planning consultants that worked with property developers. These two groups were, based on their experiences of these actors, probed on their views of the ways in which property developers think and operate. A total of fourteen such in-depth interviews were conducted.

The last two studies were conceptualised and overseen by the author, but the data-gathering was done by two teams of students, as part of their final-year professional urban and regional planning degrees. The *first of these studies* explored the perceptions of developers and municipal officials involved with both the regulatory and forward planning sides of municipal planning, of the various instruments aimed at regulating, guiding, directing and streamlining spatial development (Du Toit et al., 2008). Due to its prominence as the primary tool in the development planning-arsenal of the State, the Spatial Development Framework (SDF) was chosen. Two metropolitan municipalities were targeted – the City of Johannesburg and the City of Tshwane – and a sample of twenty officials, town planners in private practice and property developers interviewed.¹² The *second study* took ‘the probing of the mind of the property developer’ further (Oranje, 2009). It, in turn, sought to, on the one hand, expand the sample, but on the other, also include other role-players in the project (i.e. architects, engineers and legal representatives) to gain their perspectives on the rationales and modalities of property developers’ actions based on their observations. Also, as in the other study, a sample of twenty interviewees was used, who with the exception of two, all worked in the Gauteng Province.¹³

The studies, despite their differences, provided many similar, strong threads, with the following a summary of the key findings categorised under themes below.

10.3.1 Drivers

Notwithstanding many other similarities, all the studies concurred: property developers act with the aim of making a profit on their investment in terms of time, effort and money. In accordance with this key driver, ‘holding costs’, i.e. the time before making an investment and making a profit, emerged in all four the studies as the biggest single concern for property developers. In the first study, a property developer suggested that holding costs were so important a driver that he even preferred ‘*a quick no to a drawn-out yes*’. While it was found that property developers ‘*sometimes do consider the spatial (and developmental) objectives of the State*’, it was also revealed that these are largely perceived and treated as ‘*hurdles that need to*

¹² The City of Johannesburg is South Africa’s most populous municipality (The Presidency, 2006; South African Cities Network, 2011). It also has the largest economy of the 283 municipalities in the country. The City of Tshwane is fourth in terms of both population and size of economy (ibid.).

¹³ This is not only the smallest of the nine provinces in the country in terms of geographic area, but also the most populous, and the province with the strongest economy (OECD, 2010). Both the City of Johannesburg and Tshwane are located in this province.

be overcome'. Even though property developers may share the same progressive development ideals of the State, a notion of 'not in my project' seems to prevail. In cases where they were prompted, property developers expressed little appetite for pursuing the spatial development objectives of the State where these did not explicitly support *their* immediate development intentions. In such cases, 'the DFA-route', which allowed developers to sidestep 'unsupportive' municipal spatial development requirements, was often used.

10.3.2 Spatial Planning Instruments

Property developers and town planning consultants generally held very cynical views of the State's 'forward planning' tools, notably the municipal Spatial Development Frameworks (SDFs). In most cases, interviewees viewed them as impractical, utopian, private-sector unfriendly, and even scornfully referred to them as '*political documents*'.¹⁴ It was, however, admitted by some, that they played a very expedient game with '*the system*', in the sense that, should the SDF support their case, they would make explicit reference to this in their applications. In the case of the opposite, they would downplay this difference, and suggest that the SDF is merely one of a number of '*views*' on future land development in an area. Many property developers also argued that, '*the regulatory and forward planning sections and objectives of municipalities were not internally aligned*'. This, they suggested, resulted in '*mixed messages and confusing signals*'. There was, however, quite a significant difference in perspective between the interviewees working in and for the two municipalities (the City of Johannesburg and the City of Tshwane). Both (1) private sector interviewees (town planning consultants, developers) and (2) municipal officials, expressed a far more favourable perspective of, and level of confidence in the spatial planning and land-use management capacities of the City of Johannesburg than they did of the City of Tshwane. This 'respect', the private sector interviewees revealed, made them approach the City of Johannesburg with far greater caution and regard their development objectives, regulations and rules with far more gravitas.

10.3.3 Competence

In a number of cases, interviewees remarked that capacity constraints, i.e. too few competent officials, was a major hindrance for the State in terms of (1) its ability to implement its programmes; and (2) interact/deal with the private sector (see also

¹⁴ It needs to be noted that both the disregard for the 'forward planning' instruments and the lack of integration between this function/process and the regulatory side of the land use management system, was not new (Oranje, 1998b). These were also strong features of the pre-1994 period (ibid.).

Rhizome Management Services et al., 2010). Officials often commented that the relatively low levels of competence in the public sector vis-à-vis those in the private sector, made for highly unequal power contests in negotiations around property development. This, they indicated, was especially problematic when property developers contested decisions by municipalities, or took decisions on appeal, as it often meant public humiliation. When prompted as to the reasons for these low levels of competence in the State, many interviewees attributed this to (1) emigration of primarily White officials to the UK, Australia and New Zealand; (2) affirmative action, which often results in well-qualified, but inexperienced officials occupying senior positions; and (3) out-movement of competent officials to the private sector due to work frustration and lack of career advancement-opportunities. It also emerged that in cases where, according to interviewees, *'competency levels were so low that municipalities had become dysfunctional'* property developers often undertook actions that fell in the cadre of municipal administrations (e.g. sourcing comments from stakeholders, writing memorandums to decision-makers and placing advertisements), to expedite the completion of an application. This of course compromised both (1) the legality and (2) the fairness of the process and its outcomes. It also emerged that property developers and their town planning consultants *'would carefully weigh'* the competence levels in municipalities before lodging an application: In cases where competence was high, property developers would seriously consider the DFA-route, which entailed lodging an application with the provincial government, as *'in such municipalities, officials would not be easily intimidated by high-powered property developers' teams'*. In a number of cases it was admitted that property developers avoided municipalities where *'they knew they would be given a hard time'* and would have to spend huge amounts of money on professional fees to get the desired rights. This was especially true regarding the City of Johannesburg, where the municipality took the use of the DFA to sidestep the City's development intentions, to court. This 'battle' ended up in the Constitutional Court, where the Court, ruling in favour of the City, declared certain sections of the DFA unconstitutional for subverting the planning powers of municipalities.

10.3.4 The Power of the Law

In many of the interviews with town planners, both in the private and the public sector, it was lamented that *'legal experts had taken over planning'*. This they largely attributed to planners' collective lack of confidence vis-à-vis lawyers, with many municipal officials remarking that they dreaded being hauled to a public hearing or appeal for *'a public grilling'* by a lawyer. According to them, this state of affairs *'was worsened by the fact that municipalities were generally not strong enough in their political and planning resolve to take on seasoned lawyers'*. This, apparently, also resulted in property developers not taking a 'no' as a 'real no', but rather treating it as a 'soft no', to be transformed into a 'yes' by employing 'a clever lawyer'. This 'legal turn' was given further impetus by the legalistic nature of application and decision-making processes in the 1995-Development Facilitation Act, which

had the primary intent of expediting applications with progressive developmental intentions.¹⁵ With property developers increasingly using lawyers as leaders of professional teams, municipalities soon followed suit. As commented in more than one interview, this led to property development cases '*often being fought by lawyers for and against a development with town planners, engineers, economists and environmental experts taking a back-seat or being on stand-by, but barely ever called to testify*'. In these engagements, it was noted, the debates and arguments were often far removed from the progressive post-1994 ideals many municipalities had for their settlements. In addition to this, as argued by a municipal official, the legalistic nature and high costs associated with development interactions, effectively closed off the objection or appeal-route for those in civil society opposed to development applications. As observed by an interviewee, who is both a qualified planner and legal advisor, this raises the question of '*who writes urban development (and hence the restructuring of the Post-Apartheid City) – elected politicians, communities and officials, or property developers and their legal advisors*'?

10.4 Explanations

10.4.1 Introduction

As noted in the introduction to this chapter, there has been no shortage of texts with as theme the gap between the dreams of the early-1990s of a new country and the reality a decade or so later. Some have been hard and brutal, hitting out at what their authors perceive to be a failed or failing State; others expressing disillusionment at the outcomes at opportunities not taken and dreams not fulfilled. In many of these texts the sell-out, or the conning of the ANC into selling out its progressive ideals, is vividly described, with 'neoliberalism' and its two henchmen, the World Bank, the IMF, featuring prominently as the malicious masterminds (Bond, 2008; Hlatshwayo, 2007; Klein, 2008).

As noted at the outset of this chapter, the author does not subscribe to this macro-level, conspirational style treatment of neoliberalism, or an analysis that simply and crudely brooms together many pieces, events and experiences to fit a singular, pre-determined mega-narrative that neoliberalism and the Washington Consensus reigns supreme everywhere, all the time and in everything. This is not because the author suffers from 'neoliberal denial'. Instead, it is located in a wish to change the situation we are in, and a deep unease with the reductionist tendencies in mega-narratives that leave their readers feeling powerless and render them unable to identify gaps (large or small) for progressive action. This section thus not only seeks to construct a framework to assist in making sense of the findings in the four studies, but also to identify openings and avenues for intervention and change.

¹⁵ This was confirmed in a personal interview with Stephen Berrisford, a planning and planning law consultant, who was closely involved with the writing of the DFA in the early to middle-1990s.

10.4.2 *Towards a Framework*

At the dawn of post-apartheid South Africa, a series of actors and global and local events came together to create a cauldron of conditions, a set of economic relations and a State architecture very different from what had been anticipated. As noted elsewhere, a broad-based grouping of conservative and neoliberal ideas and interests, represented by the National Party, conservative business interests, the World Bank, the IMF, the logic of the Washington Consensus and a myriad of consultants and international experts, introduced a range of fears to the negotiation partners.¹⁶ Many of the international scaremongers, their skills and selling powers honed in post East Bloc Europe, painted a very vivid picture of a highly competitive, brutal global economy, with a simple set of (equally brutal) market rules that everyone had to play by, or be left behind. In this regard, the fall of the Berlin Wall, the collapse of the former East Bloc and their ready adaptation of 'Market Rules' were used to great effect. Not only did the collapse of the East Bloc liquidate the ANC's socialist supporters and result in their countries adopting neoliberal ideas. It also provided a real-time demonstration effect, with those that had been allies of the ANC in the former East Bloc, 'showing the way'. It was thus not so much a case of 'following the West', but rather one of following the example of 'our friends in the East' (Jessop, 2002). In addition to this, with the former East Bloc embracing the Market, it meant that, with the exclusion of Cuba, North Korea and some countries in Northern Africa and the Middle East, there were no alternative systems to the neoliberalist model for the ANC to consider. Together with this, strong international support for the 'Third Way' in the 1990s was growing, including so, down south (Jessop, 2002; Studlar, 2003, p. 40). While this seemingly middle-ground perspective with its many references to 'community, collective and partnerships' came across as reasonably progressive, its Centre-Left location made the leap from the Left seem less severe than a jump all the way to the Right (Jessop, 2002).¹⁷ This assisted in the local adoption of the 'Third Way' as a new and attractive approach, and also saw a number of South Africans become both active and vocal players in its development and promotion as an international phenomenon (see Harrison, 2006; Studlar, 2003).

In reflecting on the seemingly excessive wish to be part of the global economy, it serves to remember that South Africa was for nearly two decades excluded from the global economy, as a result of anti-apartheid sanctions. This exclusion was seen as a serious punishment and hence the opposite – i.e. *being a part of the global*

¹⁶ The ANC, even before coming to power agreed to an independent Reserve Bank, signing up to the GATT, repaying apartheid debt and to drop nationalisation from its rhetoric (Desai, 2005; see Bond, 2008).

¹⁷ As noted by Studlar (2003, p. 40), the reason for the 'meteoric rise' of the 'Third Way' was its vagueness and its promise of providing answers to challenges that old/existing ideologies were not able to do. In practice, in South Africa, this vagueness meant that market forces and players won, as they were far more powerful than the softer, more collectively-minded ethos and actors of the 'Third Way' variety.

economy – was simply, by being its opposite, ‘a good thing’ (see Desai, 2005).¹⁸ Added to this was the realisation that massive new investment in the economy would be required to radically alter the quality of the life of the Black majority.¹⁹ As Platzky (1998, p. 4) notes, ‘*Big reconstruction and development without growth was not possible*’. This kind of growth, it was believed would require a financial injection way beyond that which the local economy could make. The answer: foreign investment, which meant ‘putting in place an environment in which such investors would want to invest’ (Department of Finance, 1996; Platzky, 1998, p. 4). This kind of environment meant in neoliberal language: a frugal State that kept inflation in check, paid back its debt (even though a large part of it was apartheid debt)²⁰, did not interfere in the workings of the Reserve Bank, privatised what it could, and was focused on export promotion (see The Economist, 1999). These sentiments found their most visible (and detested) expression in the mid-1996 *Growth, Employment and Redistribution: A Macroeconomic Strategy* (popularly known by its acronym ‘GEAR’) (Department of Finance, RSA, 1996).²¹ While the document was strong on economic theory of the neoliberal variety, it was silent on a future vision, i.e. ‘that better place all the bitter medicine and promise of postponed post-apartheid gratification would lead to’ (Bardill, 2000, p. 106). All it professed was that if implemented, it would ensure ‘*a growth rate of 6% per annum and job creation of 400,000 per annum by the year 2000*’ (Department of Finance, 1996, p. 1).

This crashing down to Earth on the back of the strong dose of ‘hard global realities’ had the result of very quickly shifting the ANC’s gaze from the future and the big picture, to the immediate, the here and the now. This focus was further supported and deepened by the fears and anxieties about the ability of the people of the country to keep the economy going: On the one hand, decades of colonial and apartheid rule and inferior education systems and skills development had done enormous damage to the psyche of Black South Africans (see Oranje, 1998a, 1998b).²² (Given the demise of the East Bloc, skills gained in exile in former East Bloc countries, were

¹⁸ While sanction-busting (selling and buying products and services underneath the radar) was a major economic activity during the apartheid years, the country, and many of its products had achieved pariah status and were excluded through comprehensive sanctions (Polakow-Suransky, 2010).

¹⁹ While the White minority was far wealthier than the Black majority, it was also vastly smaller by a ratio of around 8 to 1. In addition to this, the economy had not been built for the whole population, but for the White minority and a small number of Asians and so-called Coloureds – not more than about 10 million people in total.

²⁰ Outstanding debt incurred during the Apartheid years amounted to R86.7 billion in 1993 (The Economist, 1999). By 1999, the country’s debt had grown to R366 billion, absorbing a fifth of the national budget for servicing (ibid.). Continued servicing of the national debt, and the need for further loans, demanded a functioning economy. Default was with these demands, not an option.

²¹ This strategy was prepared with involvement of World Bank experts and economic models developed and used by the Bank (see Department of Finance, 1996: Acknowledgements and Appendix 16).

²² The same is said to have been the case in the former East Germany after unification, with lack of confidence regarded as a major hurdle to development in the area (see Peel, 2010).

not necessarily an asset.) On the other hand, the fact that White South Africans had, due to sanctions, also not been part of the global economy, meant that the ANC could not necessarily count on them to fill the gap. At the same time, the fear of ‘making a mess’, of playing into the hands of the stereotypes held by many in the White minority and the West about the ability of African states to govern their affairs, and providing a twisted ex-post facto vindication of Apartheid, added further impetus to ‘not rocking the boat’. These fears, on the side of the ANC, were not misplaced, as there was a deep concern that the country’s economy could collapse, which would then lead it to having to beg for international assistance, and being forced to take a dose of IMF-structural adjustment, as so many other developing countries had done. And, with disinvestment a reality and with many wealthy White South Africans pursuing a variety of ways to ‘take money out the country’, the ANC could not risk losing even more capital in this way (The Economist, 2001; Platzky, 1998, p. 4).²³ There simply was no sense in finally getting to the rainbow at the end of the apartheid storm, only to find the cauldron empty. At the same time, threats around civil war, and sinister orchestrations in this regard in the shape of ‘the Third Force’,²⁴ as well as grumblings from Right-wing populist elements, also limited the maneuvering space – a collapsing economy would just increase this threat. And finally, further adding to the very tentative nature of the shaping of a post-apartheid country, was the highly religious and generally conservative nature of the population and many of its leaders, which did not favour novel approaches and actions.

The result of these actions and conditions meant that the discussions around the future shape of the country and a new Constitution were highly compromised: Deeply ideological and macro-structural issues were turned into legalistic, technical and petty administrative aspects to be dealt with accordingly (see Klein, 2008, p. 200).²⁵ As observed by Klein (2008) and Desai (2005), a mixture of shock, awe and spin was used to pull the rag over the non-suspecting ANC negotiators’ faces. Furthermore, the references by De Klerk and the National Party to ‘*the New South Africa*’ in the early 1990s, as if it had already arrived, also robbed the ANC and the oppressed masses of the chance to dream, imagine and craft a truly new South Africa. This meant that the ANC was simply never given the opportunity to conceive, discuss and consider (1) the *new* nation, and (2) the shape and nature of its economy, social relationships and State architecture to take it there.

²³ According to a 2001-report in the Economist (2001), ‘... by the standards of other countries, South Africa has lured relatively little foreign direct investment: \$32 per head in 1994–1999, compared with \$106 for Brazil, \$252 for Argentina, \$333 for Chile’.

²⁴ The collective name for paramilitary groupings who would pop up at key points in the negotiation process to plant bombs, slaughter Black South Africans and incite ‘Black-on-Black’ violence in townships on the Witwatersrand and in rural hotbeds like the current KwaZulu-Natal.

²⁵ Naomi Klein (2008, p. 200), in her book ‘The Shock Doctrine’, suggests that the De Klerk government, ‘... used a range of new policy tools – international trade agreements, innovations in constitutional law and structural adjustment programs – to hand control of those power centres to supposedly impartial experts, economists and officials from the IMF, the World Bank, the General Agreement on Tariffs and Trade (GATT) and the National Party – anyone except the freedom fighters of from the ANC’.

In the area of the State's organisational architecture, the push of the conservative National Party and the Inkatha Freedom Party for a more federal dispensation saw the exploration of more federal constitutions, notably the German and the Canadian constitutions (Davies, 2003; Dodek, 2007; Taylor, 2002). This resulted in the introduction of a range of measures to provide safeguards against a strong, over-powering central State. While the strong emphasis on such rights would have made sense in most contexts and countries, it was highly contestable in the South African situation at the time, as it became a cornerstone for the protection of (White) privilege and cemented an individualist ethic and not a collective, communal, caring one far more familiar to the continent. In addition to this, the very intricate three-spherical arrangement of government, with its potentially conflicting allocation of powers and functions, and highly sophisticated set of institutions, organisational designs and public official competencies it demanded, was a further recipe for conflict. It could also be argued that it fragmented the State's focus and actions, and created a system that would take years to make operational and effective. In terms of 'time', the Constitution, beyond the Preamble, said very little about the past or the future. It was essentially a neutral, timeless statement as if there had been no determined, comprehensive and sustained process of exclusion, marginalisation and underdevelopment, and hence no need for an equally determined, comprehensive and sustained reparation and reconciliation process to be undertaken. Collective redress and repair was captured in individualised allocation of benefits – affirmative action in workplace appointments and in the awarding of government contracts. In this way, it further entrenched a common theme of post-apartheid South Africa: replacing common, collective issues by individualising them and in the process destroying the social bonds and networks that constitute the collective. This tendency was once again demonstrated in the setting up and proceedings of the *Truth and Reconciliation Commission*, which did little to heal the deep wounds and address the collective crimes of the past. In suggesting that there were a mere few thousand individual victims and perpetrators of apartheid, the construction of a future moral society, and the active involvement of the whole population in this endeavour, while at the same time dealing with, and coming to collective terms with the country's tortured past, was completely disregarded.

The outcome of all of these events and actions was that the ANC moved away from the ideals it had maintained and re-iterated in its *Freedom Charter* and *Ready to Govern-policy* documents (ANC, 1955, 1992). What it got, was a diluted, quasi-federal dispensation with guarantees around private property ownership, but far less communal ownership of, and involvement in the economy. Absent too, was a long-term plan for '... a truly future South Africa to act as guide not only for State, but also for communal and individual action. It would hence come as no surprise when, as early as 1998, the Public Review Commission reported that, '... overall progress in relation to the effective implementation of the transformation and reform process has in many ways been seriously disappointing', and it (the Commission) proposed a wide-ranging set of recommendations for placing the transformation process back on track' (Bardill, 2000, p. 103).

This lack of (1) a future South Africa, and (2) a plan and supporting set of institutions to get there, was most probably the greatest absence from the transition. The influence of neoliberal forces surely played a part in this, but equally important was the focus on the present – the slaying of the dragon that was Apartheid – without engaging the future.²⁶ It may be that the victors assumed that the national spirit of ridding the country of apartheid in the early 1990s would stay with us, forever. As argued by Desai (2005, p. 2), ‘*It was still a time when a once racially stigmatised people basked in the defeat of apartheid and a belief in an almost divinely determined better future*’. As such, the ANC misread the ‘coming together’ at the death of apartheid as a sign of a collective sense of purpose, of national solidarity. Hence it did not see the need to use the unique moment in time to *jointly, collectively develop a thirty to fifty-year plan for a population of 50–60 million South Africans and not just 10 million insiders and 40–50 million outsiders*. The fact that this was not done, had huge implications for the State, and for how other actors in the country responded and conducted their lives, interacted with each other and ran their business activities. These are some of the *responses and implications*:

Government planning, budgeting and implementation

State planning, budgeting and implementation became short-termist, *ad hoc*-ist: an activity focused on immediate issues. The skills and competencies required by the State became ‘down-raided and graded’ to serve these immediate needs (see Bond, 2008). The much harder, far more complex activities were not performed and hence, officials and consultants with such skills, not required. This, over time gathered its own momentum with the ‘short-termist’ officials setting the agenda – short-term goals focused on quick gains, and not long-term, complex and engaging ventures (see The Economist, 2005; Seeliger & Hattingh, 2004). In addition to this, planning by the State was uncoordinated, both in and between the three spheres of government. It was especially provincial and local planning that suffered, as these spheres were given extensive planning powers, but not the funds to give expression to these, as fiscal devolution did not take place, with the national Treasury keeping a tight rein on funds.²⁷ This meant that all planning activities were dependent on cooperative governance, and more importantly, national government for funding. But, without a clear image of where the country was going and a national debate on what this

²⁶ This is something that still haunts the country today, with any change being measured in terms of whether it will take us back to apartheid and not where it can take us – the fear of the past over-shadowing the hope for the future. It of course also becomes an easy way to silence any novel ideas or opposition to controversial proposals.

²⁷ The retention of these fiscal powers ‘at the centre’ has been portrayed as a victory for the ANC during the negotiations between the ANC and the National Party in the early-mid 1990s (see Oranje, 2002). It may also have been a clever ploy by the neoliberal champions to keep a check on the State finances and provide an easy, manageable way to regulate/control the course the country c/would take.

implied, including the investments to be made, planning became a case of shooting into the dark, of casting a line in the water and hoping to catch a budget vote.²⁸

In terms of focus, as early as middle-1996, the closure of the national Reconstruction and Development Office, saw a move in emphasis away from national reconstruction and transformation to the sub-national level, with a specific emphasis on the municipal. This move was strongly supported by international tendencies at the time around decentralisation, notably the views of international aid organisations and universally prescribed policy responses to deal with, and survive in the world created by neoliberalism. This favoured ‘everything small and local’ – perspectives which fit in well with the fear of ‘going big and ending up making big mistakes’. The resulting policy frameworks, dished up with a romantic, feel-good, community-focus, not only resulted in an emphasis on ‘local developmentalism’, but also further reduced the focus on national reconstruction and transformation (Merrifield et al., 2008). In addition to this, while some of these local ventures – community and ward-based planning, place marketing, tourism with a local face, and local knowledge – could surely be seen as (nostalgic) New Left activism, essentially all of these had one thing in common – they favoured, introduced and instituted an inward, divisive, ‘us and them-mentality’ and a competitive ethos, and kept the gaze of the people away from the national, the macro, the bigger national picture (see Jessop, 2002; Jouve, 2009; Molyneux, 2008). This was emphasised further by putting in place a social, economic, policy and legal framework that was able to restrict debates to local community development and keep them away from the national political economy (Jessop, 2002). As noted by Bebbington (2009, p. 7) regarding the disempowerment of forces for change on a continental scale, but equally applicable in the South African (national) case, ‘... *to privilege the national or the regional understates the transnational dimensions of social change, and to take a territorialised view diverts attention from the networks that cut across space, linking distant actors and places*’.

In addition to this, the newly introduced municipal strategic plans, the Integrated Development Plans, were stripped of the political economy of the spaces they were prepared for through an emphasis on process. This was further entrenched by the publication of detailed prescriptions, prepared with foreign technical assistance (see Adam and Oranje, 2002; Kothari, 2005), as to (1) how these plans were to be prepared; (2) what they should include; and (3) how they should be reviewed. The outcome was boring, wordy technical documents with so-called ‘wish-lists’ of hundreds and even thousands of small-scale projects and programmes, but without a strategic, focused programme for transformation (see Oranje & van Huyssteen, 2007; Harrison, 2001). In the absence of a national long-term vision and a clear agenda for transformation, the lowest-hanging fruits in municipal plans were picked for delivery, without concern for (1) the way these fit into the bigger picture, and

²⁸ There were a number of national initiatives with this objective in mind most notably the National Spatial Development Perspective (NSDP), but these were resisted for a variety of reasons (see Oranje & Merrifield, 2010).

(2) how they assisted in taking the country there. As such, they became short-term soothers for officials, politicians and consultants with every small job done. In this way, they *contributed to the selling out of long-term national reconstruction and transformation to short-termist small-scale 'servicing'* – i.e. eradicating backlogs and providing services to the masses, not in a spatially transformative way, and not in one that sought to dismantle and rebuild Apartheid space economies.²⁹ Given that these services were often being provided in the fall-out and hand-me-down spaces reserved by the Apartheid regime for Black settlement³⁰ they were in a way simply finishing off the previous regime's business. As such, servicing 'felt politically right', provided access to basic services for all, and was technically manageable – it continued the process of removal of politics from planning and development, and making it an issue of engineering competence, financial administration and public management.³¹

This move towards the small also had the implication of leading to an underestimation of the task at hand, of suggesting that 'fixing the small one-by-one would eventually fix the big'. From this perspective, small victories in service delivery became to be seen as major strategic gains. Furthermore, it blinded the country to the fact that it was *not* (1) educating and preparing its youth for the future and the roles they had to play in its making, or (2) appointing officials and consultants that were ready and able to tackle big challenges. In addition to this, without a long-term comprehensive reconstruction and transformation plan, or an indication as to how the many provincial and municipal plans, strategies and programmes fit into these, the multitudes of small-scale, stand-alone plans remained just that. This absence of a contribution and fit within a bigger transformation framework, agenda and trajectory, also tended to diminish the significance of these plans and reduced the importance of their realisation. A highly visible example of the misplaced focus was offered by the 2010 FIFA Soccer World Cup. While the event was a huge success in many areas, not least reminding all in the country of 'how things could be', it entailed an ad hoc spending of billions on extravagant infrastructure projects, single-purpose stadiums and short-term beautification activities with no clear linkage to longer-term reconstruction and transformation.

In the municipal sphere, the preparation of IDPs assisted in shifting the focus of urban planning away from a strong emphasis on 'spatial planning' during apartheid

²⁹ Larger questions about the future of townships and the future of the Bantustans created by Verwoerd were left unattended; the only response being that 'people are living there now and must be serviced'. The fact that so much of rural South Africa was a dead-zone, carefully chosen by the Apartheid regime because of its lack of potential, was denied.

³⁰ Black settlement in South Africa was regulated from the 1890s onwards and mass removals to places of limited opportunity and potential undertaken by apartheid governments from around the 1950s (Oranje, 1998b).

³¹ This was further facilitated by a similar move towards urban governance and management and away from urban planning prevalent in many Western countries at the time – the so-called 'New Public Management', which was also favoured by the World Bank at the time (see Harrison, 2005; Harrison, 2006; Jouve, 2009; Seeliger and Hattingh, 2004).

to 'development planning' (see Harrison, 2006). This was partially driven by a wish to not replicate static apartheid structure planning – i.e. the 'new form of planning' was to be all about cross-cutting issues, not sectors and not about static images, but about change and movement. This was to some extent also driven by graduates from some Planning Schools that had turned their backs on the prevailing spatial planning regime with its links to apartheid planning, and that had not adequately equipped their students with the skills to prepare such plans. The inclusion of a Spatial Development Framework as one of the components of an IDP further worsened matters, as it had the result, in practice, of relegating spatial planning to the preparation of a Spatial Development Framework not while, *but after* an IDP had been prepared. In the process, it removed the crucial issue of 'an engagement with the space economy' from the IDP-preparation process – i.e. the only strategic spatial planning activity/process civil society could really get involved in. In addition to this, under the influence of a generation of Planning Educators of whom many had spent their days criticising the Apartheid State and not visioning the country to follow, the new order lacked thinkers and planners with (1) vision or (2) the practical ideas and skills to make it happen. With many educators and graduates not having such skills, they carried on with what they were well-versed in – criticising the State. However sweet these texts rang in the ears of their fellow criticsers, this was of course not going to make the new, Post-Apartheid City a reality.

Business interests

Business interests had neither 'the future perspective', nor 'the collective head' provided by the State to guide them, and carried on pursuing their own, often very short-term interests. What the private sector also received in the absence of such guidance, was a green light to continue business as usual. The only thing that had to be done in terms of the new legal and policy framework was to have Black business partners, adhere to affirmative action and preferential procurement practices and laws and continue paying taxes. As for the spatial location of investment, the nature and duration of such investment, and its contribution to 'a future picture', this was not mentioned. This was left to 'policy discussions', the writings of an increasingly marginalised Left and the halls of some in academe. In addition to this, the State never took up strong positions with regards to big business. Not even when big South African companies listed on the New York and London Stock Exchanges (see Desai, 2005). This not only provided a vindication of the '*goodness of greed*', but it also fed phobias about the country and its future, and provided even more support for not meddling in the economy, so as to avoid further capital flight.

White South Africans

After the initial loss of power and privilege and reflections on the crimes of the past, a new sentiment took hold in which many Whites began to portray themselves as 'victims of the State'. A view began to emerge that 'politics was now for Blacks' and that Whites only had the economy in which to express themselves. From this perspective 'still making money' was seen in a very positive light, as 'still being able to be successful, despite the cards being stacked against the group'. It also suggested

that a ‘successful White person under such conditions’ was able to make it, with or without apartheid. At the same time, given the limited assistance of the State for the poor, and its emphasis on reparations towards Black South Africans, *not having a job and falling into poverty* became an object of ‘ultra-paranoid White obsession’ – a realm of powerlessness to be avoided at all cost. Against this backdrop, entrepreneurship and self-sufficiency became elevated amongst Whites to almost hallowed pursuits. This, in turn, fuelled a value that ‘making money, as long as it was done within the laws of the land, was good’, or stated slightly differently, *legally sanctioned greed was good*. From this position, diverging from the future spatial development plans of a municipality, which were not seen as legally binding, was ‘not wrong’. These drivers (of making money and doing it for yourself), would also fuel and be refueled by the retreat of White South Africans into the safety of local community life, religious activities and schools, with especially the latter valued not least for its contribution to ‘making money after school/graduation’ and making it possible to move abroad.

Perspectives of the State

A major change brought about by the neoliberal turn was (1) an ever-deepening view that the State was not the vehicle that that would ‘take South Africa to a new promised land’, coupled with (2) an ever-hardening individualisation. From this individualised perspective, political positions and government jobs became sought after places to get a hook in the economy, secure employment, further careers, reward loyal Party members, sustain relatives and connect networks of family and friends to the State budget and lucrative government tenders (Feinstein, 2009; Johnson, 2009; Lehman, 2008, p. 118). At the same time, the governing party, it has been argued, used the State to marginalise and silence Left-wing critics and civil society structures by drawing/co-opting them into State-led decision-making structures that are little else but talk-shops without real power or influence (Bardill, 2000, p. 116; Lehman, 2008, pp. 118–119). This, together with the appointment and deployment of many old activists in State structures, it has been argued, has left civil society greatly weakened and often leaderless (Alexander, 2010; Bardill, 2000, p. 116).

The many ‘abuses of the State’ have not been conducive for an agenda of ‘planning for progressive change’, nor has the implementation of plans benefitted from constant restructuring in municipalities and a climate of uncertainty about structures and positions (see April, 2011; Bardill, 2000; South African Cities Network, 2011). Added to this, a new generation of young Black public service officials, many with huge study loans, and also influenced by a neoliberal world in which ‘greed is good’ and conspicuous consumption a sign of success, have done little to dispel the deepening view of the State as an arena for pursuing personal objectives *and not* a tool for broader societal transformation. This situation is set to prevail, as the connectedness of political, economic and societal structures means that the taking of a normative stand on planning or anything else for that matter by those that do get a foothold in State apparatuses would constitute a severe career-limiting move.

The new elites

While it took a while to become visible, a new Black elite emerged and continued consumption and investment patterns along the same lines as the White elite had done before them (Bond, 2008; Nzimande, 2005; Smith, 2010). While Black, this elite has had far more in common with the White elite and other elites elsewhere than with the local Black impoverished majority. This group, the key beneficiary of the individualised payback for the collective crimes of Apartheid, soon became the staple of the media with their flaunted wealth, conspicuous consumption patterns and apparent lack of concern for the masses. In addition to this, the lifestyles of this group added to the questions about the morality of many of the new leaders of the country and the structures they inhabited and represented, not least the State. And, in no uncertain terms, it enhanced the 'legitimacy' of the White elites' continuing extravagant lifestyles and consumption patterns, for whom, seemingly, 'greed was now even better than before', for it could now be enjoyed with 'the baggage of apartheid out of the way'.

Morality

Within the world of (1) compromises and (2) the State increasingly being seen as an arena for personal agendas and short-term pursuits, the values and moral fibre of the new leadership became an increasingly controversial area. At the same time, the State, in its engagements in the international arena, was increasingly showing less and less of the moral high ground that grabbed the world's imagination when the ANC was still a banned liberation movement fighting an evil regime for the freedom of an oppressed people. Dubious decisions in the UN Security (e.g. Myanmar) and the UN Human Rights Councils was one such area, the lack of a clear position on Zimbabwe, not the land-grabs, but the oppression of the people and the mass informal area clearances, another (The Economist, 2001, 2004, 2007, 2008; Johnson, 2009). Back at home, the previous President's highly controversial position on the link between HIV and AIDS suggested many things, not least a seemingly heartless, conscious decision not to spend money on assisting and treating the infected, which shocked the world. This was worsened further by the slow response to xenophobic attacks, the arrest and corruption of the former national Chief of Police, and a daily dose of stories of corruption and care deficit in the media (The Economist, 2001, 2004, 2007, 2008; Smith, 2010).

The collective impacts of all of the above have been huge, rippling through the country and bringing with them a growing sense that the country was 'losing the dream and its moral compass'. Increasingly so, there has been a specter hanging over the country that it may very likely be just another parasitic, failed State where corruption, disrespect for the Rule of Law and disregard for freedom of expression and the importance of an active civil society, are the norm (The Economist, 2001, 2004, 2007, 2008; Johnson, 2009; Roberts, 2008). And, in the area of planning, while lofty ideals may be expressed in plans, the morality gap has contributed to a view that these ideals are written into plans by professionals and communities, with little chance that politicians really care about implementing them (see Du Toit et al., 2008; Marais et al., 2007; Merrifield et al., 2008; Seeliger and Hattingh, 2004). The

gap also did not do municipal politicians and officials any favours in their making of calls on the private sector to ‘do the right thing’ by investing in places and ways that were different from the past, and that were in support of societal and spatial transformation. At the same time, the morality gap may have contributed to a very limited public outcry about private sector interests pursuing their own interests and little else (see *The Economist*, 2007).

It is also not as if such tendencies may soon disappear, as there are a myriad of everyday activities that support it, such as the introduction of courses in entrepreneurship at schools and ‘Entrepreneurs’ Days’ at which children make/bring and sell items. While this is not necessarily ‘a bad thing’, the way in which it is presented, can strengthen a self-centered view of ‘you are on your own’, which is obviously not conducive for nation building. The emphasis on Local Economic Development (LED) in especially poor communities can also be seen as supporting this introverted view. Finally on this score, the public broadcaster, most likely with the objective of changing popular perceptions, has over the last two decades been showcasing wealthy Black elites and their lifestyles in daily soaps and actuality programmes. While the intentions behind these ventures may be progressive, an unforeseen consequence has surely been an emphasis on wealth and what money can buy, not least in a materialist world, respect and a feeling of self-worth in an ocean of poverty and despair.

10.4.3 Back to the Property Development Sector

The argument put forward in this chapter is this: the neoliberal turn and the macro-framework, actions and behaviors it elicited, sanctioned and sustained, provided an environment in which property developers (from both the old and the new elite), also operating within a neoliberal frame, could do what the frame permitted and rewarded and they were in the business for, i.e. ‘to make money’. Stated somewhat differently, in the absence of (1) clear societal targets and roles, and (2) defined responsibilities for business and specifically in this case, the property development sector pursued the only logic worth pursuing, i.e. the logic of self-focused accumulation (see Jessop, 2002). This, in turn meant ‘in a world in which money was all and poverty a curse worse than death’, *playing it safe and staying put in certain areas and not straying from the property development logic that one was used to*, or rather, ‘that the market demanded and rewarded’.³² Furthermore, the fact that the State did not take specific precautions to curb the activities of this sector, fully aware of it due to its high visibility, and also aware of the mindset and spatial investment logic by which it functioned, suggested that it sanctioned it. With this backing, spoken or

³² The National Credit Act, 2005, also introduced another layer into the property market, as it made it far more difficult to secure a housing loan/bond by inter alia mandating Banks to be far more careful in approving bonds (Brink, 2010). This, however, also unintentionally favoured safe investments in safe areas.

not, the property development sector could continue doing by silent consent what it had been doing, including not reconsidering its spatial investment portfolio and footprint.

Change was not in the interests of the sector, only if it were planned for and/or executed by actors in the sector. In addition to this, even though the municipal IDPs and SDFs may have called for different investment profiles and patterns, without lodging a fundamental challenge to the core of the sector, the central understandings around property development remained in place. Given also the challenges besetting the State around human capacity, the short-term time-horizon of plans, and the public questions around the moral compass of the State, easily exploitable to paint a picture of a totally morally bankrupt institution, the property sector was not going to be easily coerced by the State into acting differently, even if the State were to have made any demands on it. Likewise, plans prepared by *municipalities that were generally not held in high regard*, were clearly, and generally speaking, not held in high esteem by the property development sector. They had no greater meaning and value than that of an opinion (1) to be contested, where different to, (2) or used, where supportive of, a property developer's intentions. In addition to this, given the hollowing-out and dumbing-down of the State, an unbalanced situation had been allowed to develop in which the State administration was generally far weaker than the professional teams that the private sector could put forward. It was a no-contest and one which the forces of profit could easily exploit.

Add to all of this the prospect that in many a property developer there is a distinctly anti-government individual, who, irrespective of the country he/she lives in, does not wish to be told how to live and act, and as such, is slightly (to highly) anti-government. In the South African situation, there is of course the added dimension of many White private sector actors having a feeling that they are discriminated against, leading to a situation in which they intransigently refrain from doing what the State wants them to. The fact that some/many of those in the sector may once have been public officials, but took retrenchment or early retirement packages, may have added to this sentiment. And, given the emphasis amongst especially White South Africans that 'you have to look after yourself, because the State does not care about you', it is a short-cut to 'you must do what works for you, and maybe a few others, but definitely not the State'.

In some cases, it may be that property developers are in fact supportive of the developmental objectives of the State, but of the opinion that the State, due to internal weaknesses, does not 'know best', and that they in fact know better/best. As noted before, the many media reports on the incompetency of the State in even the most basic of activities, may in all likelihood have contributed to a situation where many property developers simply regard the State and its plans as something not to be taken (too) seriously.³³ Incidentally, this sentiment of perceiving oneself to

³³ Popular sentiment towards institutions in South Africa is very low, with a recent study by the HSRC showing that in 2007 only 34% of a nationally representative sample of respondents expressing confidence in their local governments (Roberts, 2008, p. 10; April, 2011; South African Cities Network, 2011).

be a misunderstood saint emerged strongly in one of the interviews. The property developer, a highly accomplished engineer who initially moved into the property development sector 'as a hobby', argued that he was 'not the enemy of the State, but its partner'. As he saw it, he '*took his profit at the start of the process*', but in return, he '*provided municipalities with properties to tax, and consumers of services and contributors to the local economy, for life*'.

10.5 Rejoinder: Implications for Progressive Action and Conclusion

In this chapter, it was demonstrated how neoliberalism, coupled with conservative forces, robbed a country that had just emerged from an era of racism and oppression of a chance at a new beginning. It, very early in South Africa's transition from its horrid past, killed the spirit for change, numbed the country's national psyche and morality, dulled the appetite for broad-based national change and dumbed-down the State, in the process disabling its capacity to pursue large-scale change. These conditions in the macro-environment rapidly shifted the gaze inward and ever-more local, ever-more minute, ever-more individualised and ever-more disconnected; in the process leaving the richest pickings in the country safe for neoliberal elitist accumulation.³⁴ And, within the normative framework so created, property developers were left to pursue their own logic of accumulation by continuing along the ways they knew best, which in practice meant not straying from investments that benefited their interests. In most cases, these investments were not supportive of the spatial transformation intentions of municipalities, as proposed in their Integrated Development Plans and Spatial Development Frameworks. With many municipalities lacking the moral power, authority, political will, and in many cases the competence to challenge property developers, these actions were in most cases not challenged.

As noted at the outset of this chapter, having exposed the global evil that greedy mega-actors do, can easily lead to local defeatism and a feeling of inability to change the actions of micro-actors (see Molyneux, 2008). It risks leaving the reader (and the author) with the feeling that unless the macro-social order changes, nothing can be done. For, despite the seemingly progressive and leftist agendas and credentials of the orators on neoliberalism, it often is not, and does not, amount to a call for multi-dimensional progressive action. As argued by Peck, Theodore, and Brenner (2009, p. 97), the '*preoccupation, among radical geographers in particular, with studies of neoliberal this and that*' can easily become '*a politically counterproductive and ultimately disempowering form of strong theory*' that ends up

³⁴ Current discussions (2010) about a more social State (including National Health Care) do so without the equally important discussion about the nature of the economy to support and sustain it, as if the country actually underwent a transition to a new, very different economy.

'inadvertently reproducing the self-same dominant order that it seeks to critique'. This, however, need not be. In the concluding paragraphs to this chapter some proposals for changing this situation are put forward:

- Recalibrating the *challenge and re-imagining the future* collectively: The South African story illustrated the damage done by (1) a neoliberal sensibility and (2) elite groups detaching from the collective and pursuing only their own interests and not a greater, collective good. This reproduction of the past can be arrested by embarking on a process of rethinking and recalibrating the scale, complexity, nature and duration of the transition. Politicians, officials and civil society would be part of this process and in doing so, be aware of the task at hand. They would also be aware of how it would need to be embarked upon in a world as shaped by, amongst others, neoliberalism. There would be no uncertainty as to what the country is up against, both internally and externally. At the same time, the prospects for, and challenges to the utilisation of the forces would need to be explored, 'mapped' and made sense of. Once this has been done, long-term national plans and strategies for change could be prepared and roles and responsibilities determined. This would include revisiting the institutional architecture of the State, the powers and functions of different spheres of government, and the role and place of the private sector, including the property development sector. In addition to this, a legal and policy framework would need to be developed in which short, medium and long-term plans and private sector actions could be located, integrated and aligned towards the realisation of clearly defined objectives. These frameworks and plans would provide guidance on a variety of areas, issues and aspects, including the skills required of officials and the conduct and actions expected of politicians.
- Making *meaningful interventions* in both the base and the superstructure: Interventions in the legal framework around property development will have limited impact unless they are accompanied by changes in the material world, notably in the ownership of the productive forces of production and the economic relationships in a society. Stated simply, *the country urgently needs to embark on a serious programme of redistribution*. The changes it would bring to the base would, however, need to be carefully planned so as to protect the value of assets and resources to be redistributed. At the same time, the way in which changes in the superstructure would be instituted to bring about change in the base, would need to be carefully planned and programmed. Random, seemingly progressive interventions in the legal and policy environment will not do, for without a long-term vision and well-orchestrated series of interventions in time and space, these interventions would collectively amount to very little. So for instance, provision of low-income housing and municipal services without changing the prospects of the occupants to make a life, will result in failure. Likewise, *ad hoc* calls on property developers to 'change their ways' without an indication of a different economy and equally transformed style of governance in the offing, is futile. On the same topic, while planning legislation and spatial plans would be important components of such a new macro-framework and mode of doing, they will

have minimal impact without real changes in the material world, notably in the ownership of wealth.

- Giving spatial development plans in the *municipal sphere* more prominence and power: Municipal spatial plans, notably the Spatial Development Frameworks need to feature far stronger in the preparation of sector plans, budgets and the timing and spatial location of infrastructure investment and development spending. Instead of the current five-year timeframe of these frameworks, they need to become long-term, thirty to fifty-year plans, supported by smaller, localised implementation five to ten-year action plans. At the same time, the practice of property development and its role in the realisation of long-term social, spatial and economic objectives needs to be collectively clarified and codified. At stake is not only the property development sector and its outcomes, but also the reputation of the State, and the way in which powerful players in the private sector interact with and shape the State, global, national and local economies, space and society.

This is of course all in the future. What is required now is a wish to change the situation, the courage to pursue it and the passion, determination and energy to stay the course.

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Chapter 11

Neoliberal Planning: Does It Really Exist?

Guy Baeten

Neoliberalism may be a widely used term in both scientific and popular writings, but there remains much confusion over what its exact contents are – Brenner, Peck, and Theodore (2010a) have called it a ‘rascal’ concept but confirm elsewhere (Brenner, Peck, & Theodore, 2010b) that it remains a ‘keyword for the understanding of regulatory reforms of our time’. Smith (2008) has declared neoliberalism ‘dead but dominant’, and some call for a shift in focus from analysis and critique to the exploration of possible postneoliberalisms (see for example Brand and Sekler (2009) in the theme issue on postneoliberalism in *Development Dialogue*). We hope to have demonstrated in this book that neoliberalism in cities across the globe is still expanding, enlarging, unfolding in varied ways under different local circumstances. The 2008 financial crisis, with its particularly urban manifestation in a US context, has not (yet) brought neoliberal diffusion to a grinding halt. It is therefore strongly needed to continue to analyse an ever-expanding phenomenon that has such a vast impact upon the shape of our cities, natures, and everyday lives in more and more parts of the worlds.

We argued in the beginning of this book that the concepts of ‘neoliberalism’ and ‘neoliberalisation,’ while in common use across the whole range of social sciences, have thus far been generally overlooked in planning theory and the analysis of planning practice. Offering insights from papers presented during a conference session at the Association of American Geographers meeting in Boston in 2008 and a number of commissioned chapters, this book has attempted to fill this significant hiatus in the study of planning. What the case studies from Africa, Asia, North-America and Europe included in this volume have in common is that they all reveal the uneasy cohabitation of ‘planning’ – some kind of state intervention for the betterment of our built and natural environment – and ‘neoliberalism’ – a belief in the superiority of market mechanisms to organise land use and the inferiority of its opposite, state intervention. Planning, if anything, may be seen as being in direct contrast to neoliberalism, as something that should be rolled back or even

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annihilated through neoliberal practice. To combine ‘neoliberal’ and ‘planning’ in one phrase then seems awkward at best, and an outright oxymoron at worst. To admit to the very existence or epistemological possibility of ‘neoliberal planning’ may appear to be a total surrender of state planning to market superiority, or in other words, the simple acceptance that the management of buildings, transport infrastructure, parks, conservation areas etc. *beyond* the profit principle has reached its limits in the 21st century. Planning in this case would be reduced to a mere facilitator of ‘market forces’ in the city, be it gentle or authoritarian. Yet in spite of these contradictions and outright impossibilities, planners operate within, contribute to, resist or temper an increasingly neoliberal mode of producing spaces and places, or the revival of profit-driven changes in land use. It is this contradiction between the serving of private profit-seeking interests while actually seeking the public betterment of cities that this volume has sought to describe, explore, analyze and make sense of through a set of case studies covering a wide range of planning issues in various countries. This book attempted to lay bare just how spatial planning functions in an age of market triumphalism, how planners respond to the overruling profit principle in land allocation and what is left of non-profit driven developments.

The expansion of neoliberalising forms of planning – the reworking of actors, policies, institutions and regulatory frameworks in order to facilitate market-driven land use changes – does not just happen, of course. Inspired by Klein (2007), it can be observed in many places how real moments of crisis, along with their peculiar discursive framings, have come to act as strategic entry points for neoliberal planning transformations. Crises, whether economic, social, environmental, or political, then, act as a ‘shock’ and require a new doctrine, a shock doctrine, that make market-friendly changes to planning ideas and habits seem necessary, unavoidable, natural even. The social-economic fallout of dramatic processes of de-industrialisation in places like Montreal or Malmö are reframed as a problem of shrinking tax incomes, the absence of a sizeable creative class, the absence of private investment, increasing social benefit dependency, frightening outbursts of street violence, and problematic concentrations of the undeserving (non-white, minority) poor. This very specific prioritisation of problems, then, becomes the ‘natural’ agenda of contemporary spatial planning through the seemingly necessary production of market-friendly places (detached from the city’s social problems), together with a curing cocktail of repressive socio-spatial policies (Wacquant, 2009), the militarisation of public space (Davis, 1990) and privatisation of public spaces (Mitchell, 2003). Very similarly, as Loopmans demonstrates in this volume (Chapter 6), the political crisis following the sustained electoral success of the extreme right in the Belgian city of Antwerp has been invoked to clean up and clear out certain inner-city neighbourhoods through strategic planning projects and systematic repression of the unwanted groups living there or making a living there. The South-African case (Oranje, Chapter 10, this volume) clearly shows how not only cities but entire countries, newly emerging or moving out of a crisis, are ‘easy targets’ for groups detached from the collective sphere and pursuing their own interest.

The neoliberalisation of planning implies a partial retreat by planning as an institution from its very core, namely the improvement of the built and natural environment through some sort of concerted effort in the public sphere. This 'retreat' should not be read as a mere withdrawal but a complex reworking of relations between state and market in which the state not simply 'looses power' but gains a more proactive role in the introduction of market principles in planning through local, national and international regulatory reforms (see Eraydin, [Chapter 4](#) and Taşan-Kok and Korthals Altes, [Chapter 5](#), both in this volume). Still, if private interests not just prevail but become overarching directives, planning's very field of operation, public decision-making and its crystallisation in land uses, finds itself in troubled waters. In the process of public retreat, as for example the Auckland case of land contamination ([Chapter 8](#), this volume) has shown, 'individual responsibility and 'individual freedom' become a pivotal yardstick in the organisation of cities and natures. Following Rose (1999), this implies a very peculiar understanding of (urban) freedom and individuality. 'Freedom' under this new neoliberal subjectivity means freedom from bureaucracy and state patronage, rather than freedom from want or from the need for transport, shelter or safety. In this neoliberal understanding, urban subjects in the first instance carry self-responsibility for education, retraining, well-being, and risk management through prudence (Larner, 2000), rather than having a set of rights they can claim from 'the city' or 'the government'. Urban subjects, then, become self-governing atomised entrepreneurs who have the obligation to pursue their own betterment and fulfillment, and the obligation to be 'free' (Bondi, 2005) in the city of endless choice and resource. It is up to the utilitarian citizen to maximise personal gain from this generous urban offering. No longer can urban dwellers, as neoliberal subjects, lay claims on the city government to guarantee their well-being. The city as right, as entitlement, is slowly being replaced with the city as possibility and opportunity. Based on UK evidence, Raco ([Chapter 3](#)) in this volume clearly demonstrates how the recent turn to a discourse of 'aspirational citizenship' puts the responsibility for urban well-being in the hands of the individual. Urban policy is more and more concerned with cultural interventions that deal with possible aspirational deficiencies, or gaps in aspiration amongst 'free' citizens. It closes opportunities for alternative aspirations and representations of diversity in the city. Those who do not show the right type and proper level of 'self-realisation' tend to be defined as a 'problem' rather than 'potential'. Needless to say, the very promise of potential fulfillment does create an excitement about and desire for the city among many individuals, and makes it difficult to organise any contestation around the individualisation of urban citizenship. Within this impeccable logic of urban neoliberal subjectivity, it is perfectly normal that cities in the first place dress up to seduce wandering neoliberal minds seeking that flawless urban landscape where they can capitalise best on their talents.

In the process, an idea of urban justice that would go beyond the harsh but fair 'justice' imposed by market forces on the city, and the 'up-to-you' subjectivity that accompanies it, is disappearing in the background. Commenting on how sustainability has become part of an urban ideology of the neoliberal era, Gunder (2006) aptly summarises why this should be a concern to planners: *'For many, the urban*

crisis appears to be that our cities simply are not sustainable. What has happened to planning's traditional concerns about fairness, equity, and social justice? Under this hegemonic crisis of unsustainability, issues such as homelessness, racism, or inequality appear no longer to be burning urban issues. Yet, they have not gone away. Exploitation still occurs; it is just not considered an urban problem of major institutional concern, especially in relation to the importance of reducing our ecological footprint! Is this obscuring of injustice by some who claim to act in the name of sustainability not ideology at its most insidious?

The contradiction of neoliberal planning lies in the epistemological impossibility to tackle these obvious urban injustices in the absence of a convincing theoretical and conceptual framework, even if the need for planning intervention that goes beyond paving the institutional way for more market-friendly planning is obvious, acute even. Of late, leading authors in geography and planning have started to tackle this obvious conceptual hiatus that has been steadily growing during decades of neoliberal urbanism. Susan Fainstain (2010) has launched the concept of 'the just city', centered around diversity, democracy and equity, as an alternative for the 'ideological triumph of neoliberalism' which has caused 'the allocation of spatial, political, economic, and financial resources to favor economic growth at the expense of wider social benefits'. In *Seeking Spatial Justice*, Soja (2010) insists on the assertive recognition of the social-spatial dialectic (the spatial will be a constitutive part of any form of urban justice). Harvey (2008) and Mitchell (2003), inspired by Lefebvre (1968), have tried to revive the notion of 'right to the city', while both Friedmann (2000) and Amin (2006) have tried to answer the question what constitutes the 'good city'.

Meanwhile, regardless of the increasing momentum in reconceptualising notions of urban justice in academic circles, planning operates more than ever within the one-size-fits-all market solution, without powerful alternative visions of urban justice (so far) trickling down to the planning office. The success of the neoliberal restructuring ethos as an organising principle for urban policy and planning is perhaps less dependent on some form of admirably coherent economic theory than it is on keeping possible alternatives at bay. As Leys (1990, quoted in Peck, Theodore, & Brenner, 2009) formulates it, '*for an ideology to be hegemonic, it is not necessary that it be loved. It is merely necessary that it have no serious rival*', and, without trying to suggest the existence of mystically conspiring neoliberal powers, there seem to be tactics at work in different parts of the world that try to exactly keep alternatives out of the limelight. One is to incorporate critical social movements into the mainstream of planning through neoliberal logics such as 'social entrepreneurship' that forces social movements to prioritise the logic of funding and financial survival rather than the attainment of original social goals (see van Dyck, Chapter 7, this volume). Another tactic is to portray market-led solutions not as an option but as a necessity. In times of 'geo-Darwinism', only cities fit to successfully compete with other cities for scarce resources of capital, be they financial or human, will be or become prosperous places to live and locations where the creative classes will thrive. The 'good city', then, is the neoliberal city that successfully prioritises market solutions and attracts its 'fair' share of people and

investment – which can be interpreted as ‘just’ – even if this Darwinian survival logic contradictorily leads to deeply uneven urban development at a larger scale. But cities, within this impeccable market logic, have the right to compete for profitable investment, and urban dwellers have the right to try their luck in the world of urban opportunities created by market-led development. Further, the portrayal of neoliberal urban development as desirable, necessary, unique, or unavoidable, has a highly divisive effect on urban actors. If neoliberalisation is about the ‘restoration of class power’ as Harvey (2005) would summarise it, then neoliberalisation can be a strongly desirable project for those who are – or think they are – empowered by it, whether house owners selling their property with a sizeable profit in gentrifying areas, or community groups successfully bidding for financing, planners pushing through (large) development projects, politicians leaving their mark through flagship projects, or developers, estate agents and construction companies making profits from the systematic transformation of urban space under neoliberal conditions.

Neoliberal planning, however paradoxical, is tempting in many ways for many users of urban space, not necessarily including those who gain most from it, and often after the temporal suspension of genuine social concern amongst planners, politicians or community groups to enable ‘development’ in the first place. The thrill of competing for funding, pushing through plans, seeing spectacular architecture rising from the soil, or contributing to favourable statistics on investment, population, local GDP, etcetera can be far larger than the search for democracy, equity and diversity in the city. Neoliberal planning, then, involves the installation of a new ‘planning subjectivity’ in town halls and grey administrative buildings where planners do their everyday work. The excitement, pride, respect and recognition that follow from successful neoliberal planning implementations, stand perhaps in sharp contrast with the management of the poor and their poor neighbourhoods within very limited and ever shrinking social budgets. Contributing to the overall ‘gain’ for the city, to the ‘good’ for the city, as defined by neoliberal planning principles, acts as an aphrodisiac for planners and other policy makers, since those principles form the parameters of urban success. At the same time, it becomes increasingly difficult to stand up for the ‘other’ city, the city of ‘loss’, the ‘bad’ city. Seen through this lens, ‘punishing the poor’ (Wacquant, 2009) may be an undesirable part of the urban neoliberalisation process, but nonetheless necessary and unavoidable in an age of unforgiving interurban competition in which the ghetto has no place. Moving out of sight those who are obviously guilty of failing to grab the opportunities offered by the neoliberal city, has become a constitutive part of neoliberal urbanism.

This leads us to a final contradiction of neoliberal planning. Reducing the city to an ‘economy’ defines everything and everybody as either economic gain or loss, with nothing outside this dichotomy. Economic reductionism, on the one hand, simplifies the view of what constitutes good planning – planning that triggers economic gain – but, on the other hand, turns planning practice more complex, as all planning issues that fall outside the economic imperative lack an overall vision to effectively deal with (other than ‘removal’, as described by Wacquant, 2009). The separation of the economic sphere and the social sphere under neoliberal conditions, in

other words, turns the planning profession schizophrenic, as it has to pursue goals that only suit part of the urban public. The dichotomy between the social and the economic in the age of neoliberal planning is reflected in the gradual separation of planning frameworks for either ‘social’ or ‘economic’ planning. Cities have ‘hard’ planning-theoretical frameworks for economic policy, with Richard Florida’s hypothesis about the mobile ‘creative class’ (2002) as the undisputed paradigm. It unashamedly suggests to favour the highly qualified, private enterprise and technology, in a chauvinistic attempt to plan for the muscled, ‘masculine’, assertive city that shows no patience with democratic reflections about how people may want ‘their’ city to be. Conversely, cities have ‘soft’ conceptual tools to plan for social purposes, or plan in poorer neighbourhoods. In sharp contrast with Florida’s proposals, the communicative turn in planning theory, headed by Patsy Healey (1997), amongst others, offers democratic, considerate, ‘feminine’, dialogical, inclusive planning frameworks that sensitively take people’s preferences and feelings into account. It goes almost without saying that this planning-theoretical dualism, grown out of and reinforcing the separation of the ‘social’ and the ‘economic’ in neoliberal times, disempowers planning that engages with the social, and empowers planning that prioritises economic growth. The contradiction lies in the theoretical and practical impossibility to separate social and economic aspects in urban planning – it belongs to the *raison-d’être* of planning to be integrative in order to come to ‘good’ land use decisions.

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