

1 The Urbanization of Neoliberalism: Theoretical Debates



Cities and the Geographies of “Actually Existing Neoliberalism”

Neil Brenner

Department of Sociology and Metropolitan Studies Program,
New York University, New York, NY, US; Neil.Brenner@nyu.edu

and

Nik Theodore

Urban Planning and Policy Program and Center for Urban Economic
Development, University of Illinois at Chicago, Chicago, IL, US;
theodore@uic.edu

This essay elaborates a critical geographical perspective on neoliberalism that emphasizes (a) the path-dependent character of neoliberal reform projects and (b) the strategic role of cities in the contemporary remaking of political-economic space. We begin by presenting the methodological foundations for an approach to the geographies of what we term “actually existing neoliberalism.” In contrast to neoliberal ideology, in which market forces are assumed to operate according to immutable laws no matter where they are “unleashed,” we emphasize the contextual *embeddedness* of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles. An adequate understanding of actually existing neoliberalism must therefore explore the path-dependent, contextually specific interactions between inherited regulatory landscapes and emergent neoliberal, market-oriented restructuring projects at a broad range of geographical scales. These considerations lead to a conceptualization of contemporary neoliberalization processes as catalysts and expressions of an ongoing creative destruction of political-economic space at multiple geographical scales. While the neoliberal restructuring projects of the last two decades have not established a coherent basis for sustainable capitalist growth, it can be argued that they have nonetheless profoundly reworked the institutional infrastructures upon which Fordist-Keynesian capitalism was grounded. The concept of creative destruction is presented as a useful means for describing the geographically uneven, socially regressive, and politically volatile trajectories of institutional/spatial change that have been crystallizing under these conditions. The essay concludes by discussing the role of urban spaces within the contradictory and chronically unstable geographies of actually existing neoliberalism. Throughout the advanced capitalist world, we suggest, cities have become strategically crucial geographical arenas in which a variety of neoliberal initiatives—along with closely intertwined strategies of crisis displacement and crisis management—have been articulated.

Introduction

The linchpin of neoliberal ideology is the belief that open, competitive, and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development. Although the intellectual roots of this “utopia of unlimited exploitation” (Bourdieu 1998) can be traced to the postwar writings of Friedrich Hayek and Milton Friedman, neoliberalism first gained widespread prominence during the late 1970s and early 1980s as a strategic political response to the sustained global recession of the preceding decade. Faced with the declining profitability of traditional mass-production industries and the crisis of Keynesian welfare policies, national and local states throughout the older industrialized world began, if hesitantly at first, to dismantle the basic institutional components of the postwar settlement and to mobilize a range of policies intended to extend market discipline, competition, and commodification throughout all sectors of society. In this context, neoliberal doctrines were deployed to justify, among other projects, the deregulation of state control over major industries, assaults on organized labor, the reduction of corporate taxes, the shrinking and/or privatization of public services, the dismantling of welfare programs, the enhancement of international capital mobility, the intensification of interlocality competition, and the criminalization of the urban poor.

If Thatcherism and Reaganism represented particularly aggressive programs of neoliberal restructuring during the 1980s, more moderate forms of a neoliberal politics were also mobilized during this same period in traditionally social democratic or social christian democratic states such as Canada, New Zealand, Germany, the Netherlands, France, Italy, and even Sweden. Following the debt crisis of the early 1980s, neoliberal programs of restructuring were extended globally through the efforts of the USA and other G-7 states to subject peripheral and semiperipheral states to the discipline of capital markets. Bretton Woods institutions such as the General Agreement on Tariffs and Trade (GATT)-World Trade Organization (WTO), the World Bank, and the International Monetary Fund (IMF) were subsequently transformed into the agents of a transnational neoliberalism and were mobilized to institutionalize this extension of market forces and commodification in the Third World through various structural-adjustment and fiscal austerity programs. By the mid-1980s, in the wake of this dramatic U-turn of policy agendas throughout the world, neoliberalism had become the dominant political and ideological form of capitalist globalization.

The global imposition of neoliberalism has, of course, been highly uneven, both socially and geographically, and its institutional forms and sociopolitical consequences have varied significantly across spatial scales and among each of the major supraregional zones of the world

economy. While recognizing the polycentric and multiscalar character of neoliberalism as a geopolitical and geoeconomic project, the goal of this collection is to explore the role of neoliberalism in ongoing processes of *urban* restructuring. The supranational and national parameters of neoliberalism have been widely recognized in the literatures on geopolitical economy. However, the contention that neoliberalism has also generated powerful impacts at subnational scales—within cities and city-regions—deserves to be elaborated more systematically.

This introductory essay provides a “first cut” towards theorizing and exploring the complex institutional, geographical, and social interfaces between neoliberalism and urban restructuring. We begin by presenting the methodological foundations for an approach to the geographies of what we term “actually existing neoliberalism.” In contrast to neoliberal ideology, in which market forces are assumed to operate according to immutable laws no matter where they are “unleashed,” we emphasize the contextual *embeddedness* of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles. An understanding of actually existing neoliberalism must therefore explore the path-dependent, contextually specific interactions between inherited regulatory landscapes and emergent neoliberal, market-oriented restructuring projects at a broad range of geographical scales. These considerations lead to a conceptualization of contemporary neoliberalization processes as catalysts and expressions of an ongoing creative destruction of political-economic space at multiple geographical scales. While the neoliberal restructuring projects of the last two decades have failed to establish a coherent basis for sustainable capitalist growth, they have nonetheless profoundly reworked the institutional infrastructures upon which Fordist-Keynesian capitalism was grounded. The concept of creative destruction is presented to describe the geographically uneven, socially regressive, and politically volatile trajectories of institutional/spatial change that have been crystallizing under these conditions. The essay concludes by discussing the role of urban spaces within the contradictory and chronically unstable geographies of actually existing neoliberalism. Throughout the advanced capitalist world, we suggest, cities have become strategically crucial geographical arenas in which a variety of neoliberal initiatives—along with closely intertwined strategies of crisis displacement and crisis management—have been articulated.

Towards a Political Economy of Actually Existing Neoliberalism

The 1990s was a decade in which the term “neoliberalism” became a major rallying point for a wide range of anticapitalist popular

struggles, from the Zapatista rebellion in Chiapas, the subsequent series of Gatherings for Humanity and Against Neoliberalism, and the December 1995 mass strikes in France to the mass protests against the WTO, the IMF, the World Bank, and the World Economic Forum in locations such as Davos, Genoa, London, Melbourne, Mumbai, Nice, Prague, Seattle, Sydney, Washington DC, and Zürich, among many others. As such struggles continue to proliferate in the new millennium, anticapitalist forces throughout the world have come to identify neoliberalism as a major target for oppositional mobilization.

Among activists and radical academics alike, there is considerable agreement regarding the basic elements of neoliberalism as an ideological project. For instance, Moody (1997:119–120) has described neoliberalism concisely as “... a mixture of neoclassical economic fundamentalism, market regulation in place of state guidance, economic redistribution in favor of capital (known as supply-side economics), moral authoritarianism with an idealized family at its center, international free trade principles (sometimes inconsistently applied), and a thorough intolerance of trade unionism.” However, as Moody and others have emphasized, there is also a rather blatant disjuncture between the ideology of neoliberalism and its everyday political operations and societal effects. On the one hand, while neoliberalism aspires to create a “utopia” of free markets liberated from all forms of state interference, it has in practice entailed a dramatic intensification of coercive, disciplinary forms of state intervention in order to impose market rule upon all aspects of social life (see Keil this volume; MacLeod this volume). On the other hand, whereas neoliberal ideology implies that self-regulating markets will generate an optimal allocation of investments and resources, neoliberal political practice has generated pervasive market failures, new forms of social polarization, and a dramatic intensification of uneven development at all spatial scales. In short, as Gill (1995:407) explains, “the neoliberal shift in government policies has tended to subject the majority of the population to the power of market forces whilst preserving social protection for the strong.” During the last two decades, the dysfunctional effects of neoliberal approaches to capitalist restructuring have been manifested in diverse institutional arenas and at a range of spatial scales (see Amin 1997; Bourdieu 1998; Gill 1995; Isin 1998; Jessop and Stones 1992; Peck and Tickell 1994). As such studies have indicated, the disjuncture between the ideology of self-regulating markets and the everyday reality of persistent economic stagnation—intensifying inequality, destructive interplace competition, and generalized social insecurity—has been particularly blatant in precisely those political-economic contexts in which neoliberal doctrines have been imposed most extensively.

Crucially, the manifold disjunctures that have accompanied the worldwide imposition of neoliberalism—between ideology and practice; doctrine and reality; vision and consequence—are not merely accidental side effects of this disciplinary project of imposing a new “market civilization” (Gill 1995). Rather, they are among its most essential features. For this reason, we would argue, a purely definitional approach to the political economy of neoliberal restructuring contains significant analytical limitations. For, as Peck and Tickell suggest in their contribution to this collection, we are dealing here less with a coherently bounded “ism” or “end-state” than with a process, as they term it, of *neoliberalization*. Hence, in the present context, the somewhat elusive phenomenon that needs definition must be construed as a historically specific, ongoing, and internally contradictory process of market-driven sociospatial transformation, rather than as a fully actualized policy regime, ideological form, or regulatory framework. From this perspective, an adequate understanding of contemporary neoliberalization processes requires not only a grasp of their politico-ideological foundations but also, just as importantly, a systematic inquiry into their multifarious institutional forms, their developmental tendencies, their diverse sociopolitical effects, and their multiple contradictions.

For purposes of this essay, we shall describe these ongoing neoliberalization processes through the concept of actually existing neoliberalism. This concept is intended not only to underscore the contradictory, destructive character of neoliberal policies, but also to highlight the ways in which neoliberal ideology systematically misrepresents the real effects of such policies upon the macroinstitutional structures and evolutionary trajectories of capitalism. In this context, two issues deserve particular attention. First, neoliberal doctrine represents states and markets as if they were diametrically opposed principles of social organization, rather than recognizing the politically constructed character of all economic relations. Second, neoliberal doctrine is premised upon a “one size fits all” model of policy implementation that assumes that identical results will follow the imposition of market-oriented reforms, rather than recognizing the extraordinary variations that arise as neoliberal reform initiatives are imposed within contextually specific institutional landscapes and policy environments.¹

Our approach to the political economy of actually existing neoliberalism is grounded upon five core premises, which, taken together, provide a methodological basis on which to circumvent the aforementioned ideological pitfalls. These premises are summarized briefly as follows:

1. *The problem of capitalist regulation.* The social relations of capitalism are permeated by tensions, antagonisms, and

conflicts that continually destabilize the accumulation process. Capitalist regulation occurs as systems of rules, habits, norms, and compromises are established within particular institutions, thereby embedding these conflictual social relations within relatively stabilized, routinized, and sustainable spatiotemporal frameworks (Lipietz 1996). In turn, the latter endow the capitalist system with a marked, if constantly evolving, institutional coherence. Since the industrialization and urbanization of capital on a large scale during the course of the 19th century, the survival of capitalism within each national territory has been secured through the production of historically specific institutional landscapes composed of at least five basic dimensions (see Lipietz 1996; Petit 1999; Swyngedouw 1997): (1) *the wage relation*—the structure of capital/labor relations in the spheres of production and reproduction; (2) *the form of intercapitalist competition*—the framework within which capitalists jostle for market share and technological advantages; (3) *forms of monetary and financial regulation*—the organizational structure of capital circulation; (4) *the state and other forms of governance*—the ensemble of institutionalized political compromises through which the basic contradictions of capitalist society are negotiated; and (5) *the international configuration*—the mechanisms through which national and subnational economic relations are articulated with worldwide processes of capital accumulation.

2. *The unstable historical geographies of capitalism.* The process of capital accumulation and its associated regulatory problems are always articulated in territory-, place-, and scale-specific forms (Harvey 1989; Massey 1985; Smith 1984). Capitalist development therefore necessarily unfolds through the production of historically specific patterns of sociospatial organization in which particular territories, places, and scales are mobilized as productive forces—whether in the form of agglomeration economies, regional production systems, infrastructural configurations, transportation and communications networks, or spatial divisions of labor (Swyngedouw 1992a; Storper and Walker 1989). It is in this sense that the long-term survival of capitalism is premised upon the “production of space” (Lefebvre [1974] 1991).

Yet, due to its inherent dynamism, capital continually renders obsolete the very geographical landscapes it creates and upon which its own reproduction and expansion hinges. Particularly during periods of systemic crisis, inherited frameworks of capitalist territorial organization may be destabilized as capital seeks to transcend sociospatial infrastructures and

systems of class relations that no longer provide a secure basis for sustained accumulation. As the effects of devaluation ripple through the space-economy, processes of creative destruction ensue in which the capitalist landscape is thoroughly transformed: the configurations of territorial organization that underpinned the previous round of capitalist expansion are junked and reworked in order to establish a new locational grid for the accumulation process.

It should be noted, however, that the creative destruction of capitalist territorial organization is always unpredictable and deeply contested. Even within industrial landscapes that have been systematically devalued by capital, social attachments to place persist as people struggle to defend the everyday practices and institutional compromises from which capital has sought to extricate itself (Hudson 2001). At the same time, capital's relentless quest to open up fresh spaces for accumulation is inherently speculative, in that the establishment of a new “spatial fix” is never guaranteed; it can occur only through “chance discoveries” and provisional compromises in the wake of intense sociopolitical struggles (Harvey 1989; Lipietz 1996).

3. *Uneven geographical development.* Each round of capitalist development is associated with a distinctive, historically specific geographical landscape in which some places, territories, and scales are systematically privileged over and against others as sites for capital accumulation. The resultant patterns of core–periphery polarization and sociospatial inequality exist at all spatial scales; their contours are never inscribed permanently upon the geographical landscape but are continually reworked through capital's dynamic of uneven spatial development (Harvey 1982; Massey 1985). Uneven development is endemic to capitalism as an historical-geographical system: it is a key expression of capital's relentless drive to mobilize particular territories and places as forces of production; it is a basic geographical medium through which intercapitalist competition and class struggle are fought out; and it is an evolving spatial-institutional scaffolding within which processes of devalorization and revalorization unfold (Smith 1984).
4. *The regulation of uneven geographical development.* Each historical pattern of uneven development is in turn associated with a series of basic regulatory dilemmas: for the uneven development of capital serves not only as a *basis* for the accumulation process but may also, under certain circumstances, operate as a *barrier* to the latter. For this reason, uneven development is associated not only with new opportunities for capital but also with any number of potentially destabilizing

effects that may undermine the “structured coherence” upon which sustainable capital accumulation depends. In response to these persistent dilemmas, capitalist states have mobilized a variety of spatial policies intended to regulate the uneven development of capital. Strategies of territorial development and place-promotion may be introduced in order to channel economic capacities into particular locations and scales. Alternatively, strategies of territorial redistribution and other compensatory regional policies may be introduced in order to equalize the distribution of industry and population across a particular territory, and thus to alleviate the more pernicious, polarizing effects of uneven development.

5. *The evolving geographies of state regulation.* State strategies to regulate uneven development evolve continually in conjunction with contextually specific political-economic circumstances and sociopolitical struggles (Duncan and Goodwin 1987). Nonetheless, during successive phases of capitalist development, particular forms of state spatial policy have been institutionalized, albeit in divergent (national) forms, and have come to provide a key regulatory infrastructure for industrial growth. In this sense, the geographies of state institutions and policies are closely intertwined with evolving processes of uneven development: states provide a relatively stable regulatory landscape within which capital’s locational dynamics are articulated; at the same time, states provide a key institutional arena in and through which new approaches to the regulation of uneven development may be introduced. Particularly during periods of systemic capitalist crisis, when uneven development threatens to undermine normalized patterns of accumulation and social reproduction, pressures to junk and rework extant institutional frameworks and regulatory strategies become particularly intense. Under these circumstances, a period of institutional searching and regulatory experimentation ensues in which diverse actors, organizations, and alliances promote competing hegemonic visions, restructuring strategies, and developmental models. The resultant “search for a new institutional fix” (Peck and Tickell 1994) generally entails the partial dismantling or reworking of inherited institutional landscapes in order to “open up a space” for the deployment and institutionalization of new regulatory strategies. Regulatory landscapes are continually made and remade through this intense, politically contested interaction between *inherited* institutional forms and policy frameworks and *emergent* strategies of state spatial regulation (see Brenner 2001; MacKinnon 2001; Peck 1998).

In our view, these methodological premises provide a useful starting point from which to analyze the turbulent geographies of actually existing neoliberalism during the post-1970s period. First and foremost, the preceding considerations suggest that an analysis of actually existing neoliberalism must begin by exploring the entrenched landscapes of capitalist regulation, derived from the Fordist-Keynesian period of capitalist development, within which neoliberal programs were first mobilized following the geoeconomic crises of the early 1970s. From this perspective, the impacts of neoliberal restructuring strategies cannot be understood adequately through abstract or decontextualized debates regarding the relative merits of market-based reform initiatives or the purported limits of particular forms of state policy. Instead, an understanding of actually existing neoliberalism requires an exploration of: (a) the historically specific regulatory landscapes and political settlements that prevailed within particular (national) territories during the Fordist-Keynesian period of capitalist development; (b) the historically specific patterns of crisis formation, uneven development, and sociopolitical contestation that emerged within those territories following the systemic crisis of the Fordist-Keynesian developmental model in the early 1970s; (c) the subsequent interaction of market-oriented neoliberal initiatives with inherited regulatory frameworks, patterns of territorial development, and sociopolitical alliances; and (d) the concomitant evolution of neoliberal policy agendas and restructuring strategies through their conflictual interaction with contextually specific political-economic conditions, regulatory arrangements and power geometries.

The contributions to this volume provide diverse case studies of the nationally and locally specific pathways of political-economic restructuring that underpin the geographies of actually existing neoliberalism. In the remainder of this essay, we analyze the spatialities (and, by implication, the temporalities) of contemporary neoliberalization processes in three closely related steps: first, by emphasizing the path-dependent character of neoliberal reform initiatives; second, by examining the destructive and creative “moments” of neoliberal policies and institutional changes; and third, by considering the ways in which cities have become strategically crucial arenas for neoliberal forms of policy experimentation and institutional restructuring.

Spaces of Neoliberalization (1): Path-Dependency

As numerous scholars in the regulationist tradition have indicated, the Fordist-Keynesian configuration of capitalist development was grounded upon a historically specific set of regulatory arrangements and political compromises that provisionally stabilized the conflicts and contradictions that are endemic to capitalism (see Aglietta 1979; Boyer and Saillard 1995). Although the sources of this unprecedented

“golden age” of capitalist expansion remain a matter of considerable academic dispute, numerous scholars have emphasized the key role of the *national* scale as the pre-eminent geographical basis for accumulation and for the regulation of political-economic life during this period (Jessop 1999; Swyngedouw 1997). Of course, the exact configuration of regulatory arrangements and political compromises varied considerably according to the specific model of capitalism that was adopted in each national context. Nonetheless, a number of broad generalizations can be articulated regarding the basic regulatory-institutional architecture that underpinned North Atlantic Fordism (see Altvater 1992; Jessop 1992, 1999; Lipietz 1987; Peck and Tickell 1994; Swyngedouw 1997).

- *Wage relation.* Collective bargaining occurred at the national scale, often through corporatist accommodations between capital, labor, and the state; wage labor was extended and standardized with the spread of mass-production systems throughout national social formations; and wages were tied to productivity growth and tendentially increased in order to underwrite mass consumption.
- *Form of intercapitalist competition.* Monopolistic forms of regulation enabled corporate concentration and centralization within major national industrial sectors; competition between large firms was mediated through strategies to rationalize mass-production technologies; and national states mobilized various forms of industrial policy in order to bolster the world-market positions of their largest firms as national champions.
- *Monetary and financial regulation.* The money supply was regulated at a national scale through the US-dominated Bretton Woods system of fixed exchange rates; national central banks oversaw the distribution of credit to corporations and consumers; and long-term investment decisions by capital were enabled by a stabilized pattern of macroeconomic growth.
- *The state and other forms of governance.* National states became extensively engaged in managing aggregate demand, containing swings in the business cycle, generalizing mass consumption, redistributing the social product through welfare programs, and mediating social unrest.
- *International configuration.* The world economy was parcelized among relatively autocentric national economies and policed by the US global hegemon. Meanwhile, as the Fordist accumulation regime matured, global interdependencies among national economic spaces intensified due to enhanced competition among transnational corporations, the expansion of trade relations, and the ascendancy of the US dollar as world currency.

- *The regulation of uneven spatial development.* National states introduced a range of compensatory regional policies and spatial planning initiatives intended to alleviate intranational sociospatial polarization by spreading industry and population across the surface of the national territory. Entrenched world-scale patterns of uneven development were nonetheless maintained under the rubric of US global hegemony and Cold War geopolitics.

During the early 1970s, however, the key link between (national) mass production and (national) mass consumption was shattered due to a range of interconnected trends and developments, including: the declining profitability of Fordist sectors; the intensification of international competition; the spread of deindustrialization and mass unemployment; and the abandonment of the Bretton Woods system of national currencies. Subsequently, the Fordist system was subjected to a variety of pressures and crisis-tendencies, leading to a profound shaking-up and reworking of the forms of territorial organization that had underpinned the “golden age” of postwar economic prosperity (Swyngedouw 1992b). The global political-economic transformations of the post-1970s period radically destabilized the Fordist accumulation regime, decentered the entrenched role of the national scale as the predominant locus for state regulation, and undermined the coherence of the national economy as a target of state policies. This “reshuffling of the hierarchy of spaces” (Lipietz 1994:36) has arguably been the most far-reaching geographical consequence of the crisis of North Atlantic Fordism in the early 1970s (Jessop 1999, 2000; Swyngedouw 1992b, 1997).

In a seminal discussion that spatializes some of Gramsci’s key concepts, Lipietz (1994:35) has underscored the ways in which processes of capitalist restructuring are articulated in the form of struggles between “defenders of the ‘old space’” (to which he refers as the “conservative bloc”) and proponents of a “new space” or a “new model of development” (to which he refers as “the modernist bloc”). For Lipietz, the production of new spaces occurs through the conflictual interaction of conservative/preservationist and modernizing or restructuring-oriented political forces at diverse scales, generally leading to a new territorial formation that eclectically combines elements of the old geographical order with aspects of the “projected spaces” sought by the advocates of (neoliberal and/or progressive) modernization.

This conceptualization provides a useful basis for examining the political, institutional, and geographical transformations that unfolded following the crisis of Fordism. Throughout the subsequent decade, intense conflicts between preservationist and restructuring-oriented political blocs proliferated at a range of spatial scales,

with highly uneven impacts upon the nationalized frameworks for accumulation and regulation that had been established during the postwar period (see Lipietz 1988). On the one hand, at the national scale, conservative/preservationist blocs initially mobilized diverse strategies of crisis management in order to defend the institutional infrastructures of the Fordist-Keynesian order. From the first oil shock of 1973 until around 1979, traditional recipes of national demand-management prevailed throughout the Organization for Economic Cooperation and Development (OECD) zone, as central governments desperately tried to recreate the conditions for a Fordist virtuous circle of growth. However, as Jessop (1989:269) remarks of the British case, such countercyclical tactics ultimately amounted to no more than an “eleventh hour, state-sponsored Fordist modernisation,” for they were incapable of solving, simultaneously, the dual problems of escalating inflation and mass unemployment.

On the other hand, particularly following the “monetarist shock” of the early 1980s, a variety of modernizing, restructuring-oriented political alliances emerged within advanced capitalist countries that sought at once to dismantle existing regulatory frameworks and to establish a new institutional infrastructure for economic rejuvenation (Jessop 1994; Lipietz 1994). Since this period, such modernizing blocs have promoted a variety of regulatory experiments in their ongoing search for a new institutional fix; however, their strategies to revamp the regulatory infrastructure of capitalism should be understood as an open-ended, trial-and-error process of institutional searching rather than as the basis for a post-Fordist mode of social regulation (Peck and Tickell 1994). These modernizing projects have been associated with a variety of political ideologies and restructuring strategies, including: (a) neocorporatist programs that attempt to modernize industry while renegotiating social compromises; (b) neostatist programs that attempt to revitalize the economy through dirigiste, state-led projects to guide industrial transformation; and (c) neoliberal programs that attempt to impose new forms of market discipline upon all aspects of social, political, and economic life (Jessop 1994). In practice, however, these modernizing strategies rarely appear in such pure forms. Instead, real-world projects of capitalist restructuring are usually articulated as complex politico-ideological hybrids derived from contextually specific adaptations, negotiations, and struggles within particular political-economic conjunctures (see Gough this volume).

Even though only a relatively small number of advanced capitalist national states have explicitly adopted an orthodox program of neoliberal restructuring, it is crucial to recognize that neoliberal political projects have exercised tremendous influence upon the trajectory of capitalist restructuring in a range of supranational, national, and subnational institutional arenas during the last two decades. This

influence can be attributed, on the one hand, to the increasingly hegemonic role of supranational institutions such as the IMF, the World Bank, the GATT, the OECD, and the European Commission, which are oriented explicitly and aggressively towards neoliberal goals such as deregulation, enhanced capital mobility, trade liberalization, and expanded commodification. On the other hand, core neoliberal priorities such as “lean” bureaucracies, fiscal austerity, enhanced labor market flexibility, territorial competitiveness, and the free flow of investment and capital have been integrated quite extensively into mainstream political programs, often through references to supposedly ineluctable trends such as “globalization” or through purportedly apolitical reform initiatives such as the New Public Management (see Jessop this volume; Leitner and Sheppard this volume; Peck and Tickell this volume).

For this reason, neoliberalism cannot be understood merely as one among many possible models of state/economy relations that national governments may choose to promote within their territories. While it would be problematic to subsume neocorporatist and neostatist approaches to capitalist restructuring under the encompassing rubric of neoliberalism, it would be equally misleading to treat those strategies as being analogous to neoliberalism in terms of their political influence, ideological reach, or institutional shape. At the present time, neoliberalism represents an actually existing framework of disciplinary political authority that enforces market rule over an ever wider range of social relations throughout the world economy (Peck and Tickell this volume). Accordingly, the notion of actually existing neoliberalism is intended not only to encompass the immediate impact of neoliberal political programs upon social, political, and economic relations, but also to characterize their more “subversive” role in transforming the broad geoeconomic and geopolitical fields within which struggles over the future shape of capitalist social relations are currently being fought at a range of spatial scales (Rhodes 1995).

Most crucially here, the notion of actually existing neoliberalism is intended to illuminate the complex, contested ways in which neoliberal restructuring strategies interact with pre-existing uses of space, institutional configurations, and constellations of sociopolitical power. As indicated, neoliberal programs of capitalist restructuring are rarely, if ever, imposed in a pure form, for they are always introduced within politico-institutional contexts that have been molded significantly by earlier regulatory arrangements, institutionalized practices, and political compromises. In this sense, the evolution of any politico-institutional configuration following the imposition of neoliberal policy reforms is likely to demonstrate strong properties of path-dependency, in which established institutional arrangements significantly constrain the scope and trajectory of reform.

Finally, it is worth noting the degree to which neoliberal policy agendas have themselves been transformed through their interaction with inherited institutional landscapes and power configurations during the last three decades. As Peck and Tickell indicate in their contribution to this volume, neoliberalism has evolved considerably during the last three decades, from a relatively abstract economic doctrine (1970s) and a means of dismantling or “rolling back” established Keynesian welfarist arrangements (1980s) into, most recently, a reconstituted form of market-guided regulation intended not only to release short-term bursts of economic growth but also to manage some of the deep sociopolitical contradictions induced by earlier forms of neoliberal policy intervention (1990s). In the present context, the key point is that these politico-ideological shifts have emerged, in significant measure, along a strongly path-dependent evolutionary trajectory: while first deployed as a strategic response to the crisis of an earlier political-economic framework (Fordist-Keynesian capitalism), neoliberal policies were subsequently modified qualitatively to confront any number of governance failures, crisis tendencies, and contradictions that were internal to neoliberalism itself as a politico-regulatory project (see Jones and Ward this volume; Peck and Tickell this volume). The transition from the orthodox, radically antistatist neoliberalisms of Reagan and Thatcher in the 1980s to the more socially moderate neoliberalisms of Blair, Clinton, and Schröder during the 1990s may therefore be understood as a path-dependent adjustment and reconstitution of neoliberal strategies in response to their own disruptive, dysfunctional sociopolitical effects.

Spaces of Neoliberalization (2): Creative Destruction

In order to grasp more effectively the path-dependent interactions between existing institutional forms and emergent neoliberal projects, we propose to analyze actually existing neoliberalism with reference to two dialectically intertwined but analytically distinct moments: the (partial) *destruction* of extant institutional arrangements and political compromises through market-oriented reform initiatives; and the (tendential) *creation* of a new infrastructure for market-oriented economic growth, commodification, and the rule of capital. Two important caveats must be immediately added to clarify this conceptualization of actually existing neoliberalism as a process of institutional creative destruction.

First, while our emphasis on the tendentially creative capacities of neoliberalism is at odds with earlier studies that underscored its overridingly destructive character (eg Peck and Tickell 1994), we would argue that this double-pronged, dialectical conceptualization can help illuminate the complex, often highly contradictory trajectories

of institutional change that have been generated through the deployment of neoliberal political programs at various spatial scales. The point of this emphasis, however, is not to suggest that neoliberalism could somehow provide a basis for stabilized, reproducible capitalist growth, but rather to explore its wide-ranging, transformative impacts upon the inherited politico-institutional and geographical infrastructures of advanced capitalist states and economies. We would argue that this latter issue must be explored independently of the traditional regulationist question of whether or not a given institutional form promotes or undermines sustainable capitalist growth. Even when neoliberal policy reforms fail to generate short- or medium-term bursts of capitalist growth, they may nonetheless impose much more lasting evolutionary ruptures within the institutional frameworks, policy environments, and geographies of capitalist regulation.

Second, and relatedly, it should be recognized that the destructive and creative moments of institutional change within actually existing neoliberalism are intimately, inextricably interconnected in practice. Our use of the term “moments” to describe these interconnections is therefore intended in the Hegelian-Marxian sense of conflictual yet mutually related elements within a dynamic, dialectical process, rather than as a description of distinct temporal units within a linear transition.

Building upon the conceptualization of capitalist regulation developed above, Table 1 summarizes the basic elements within each of these moments of neoliberal institutional restructuring. As the table illustrates, neoliberalism represents a complex, multifaceted project of sociospatial transformation—it contains not only a utopian vision of a fully commodified form of social life, but also a concrete program of institutional modifications through which the unfettered rule of capital is to be promoted. Indeed, a sustained critique of the institutional forms, regulatory arrangements, and political compromises associated with the Fordist-Keynesian order—and a concerted program to dismantle the latter—lie at the very heart of neoliberalism as a project of politico-institutional transformation. Most crucially, the table indicates the ways in which both the destructive and the creative moments of actually existing neoliberalism have been mobilized through distinctively *geographical* strategies within each of the major institutional arenas in which capitalist regulation occurs. In the most general sense, the table illuminates the ways in which the geographies of actually existing neoliberalism are characterized by a dynamic transformation of capitalist territorial organization from the nationally configured frameworks that prevailed during the Fordist-Keynesian period to an increasingly “glocalized” configuration of global-national-local interactions in which no single scale serves as the primary pivot for accumulation, regulation, or sociopolitical struggle (Jessop 2000; Swyngedouw 1997).

Table 1: Destructive and Creative Moments of Actually Existing Neoliberalism

Site of Regulation	Moment of Destruction	Moment of Creation
<i>Wage relation</i>	<ul style="list-style-type: none"> • Assaults on organized labor and national collective bargaining agreements • Dismantling of the family wage and the spread of generalized economic insecurity • Downgrading of national regulations ensuring equal employment opportunity, occupational safety, and workers' rights 	<ul style="list-style-type: none"> • Competitive deregulation: atomized renegotiation of wage levels and working conditions combined with expanded managerial discretion • New forms of the social wage and new gender divisions of labor • Promotion of new forms of labor "flexibility"
<i>Form of intercapitalist competition</i>	<ul style="list-style-type: none"> • Selective withdrawal of state support for leading national industries • Dismantling of national protectionist policies • Dismantling of national barriers to foreign direct investment 	<ul style="list-style-type: none"> • New forms of state support for "sunrise" industries • Extension of global commodities markets through trade liberalization policies codified in the WTO, the IMF, the European Union (EU), the North American Free Trade Agreement (NAFTA), and other supranational bodies • Establishment of global capital markets through GATT negotiations
<i>Form of financial and monetary regulation</i>	<ul style="list-style-type: none"> • Dismantling of Bretton Woods global monetary system and deregulation of money markets • Erosion of national states' capacity to control exchange rates • Dismantling of the regulatory constraints impeding monetary and financial speculation in global markets • Separation of financial and credit flows from productive sources of investment 	<ul style="list-style-type: none"> • Creation of speculation-driven currency markets and "stateless monies" outside national regulatory control • Expanded role of global regulatory bodies (such as the Bank for International Settlements) in the monitoring of global financial transactions • Creation of offshore financial centers, international banking facilities, and tax havens

Table 1: Continued

Site of Regulation	Moment of Destruction	Moment of Creation
<i>The state and other forms of governance</i>	<ul style="list-style-type: none"> • Abandonment of Keynesian forms of demand-management • Dismantling of traditional national relays of welfare service provision • “Hollowing out” of national state capacities to regulate money, trade, and investment flows • De-centering of traditional hierarchical-bureaucratic forms of governmental control • Dismantling of traditional relays of democratic control at national and subnational levels • Strategies to “hollow out” the autocentric national economy as a target of state intervention • Erosion of traditional managerial-redistributive functions of national and subnational administrative agencies • Imposition of fiscal austerity measures aimed at reducing public expenditures • Shrinking of public sector employment 	<ul style="list-style-type: none"> • “Rolling forward” of supply-side and monetarist programs of state intervention • Devolution of social welfare functions to lower levels of government, the social economy, and households • Mobilization of strategies to promote territorial competitiveness, technological innovation, and internationalization • Establishment of public–private partnerships and “networked” forms of governance • Creation of “new authoritarian” state apparatuses and “quangos” that are insulated from public accountability and popular-democratic control • Rescaling of state economic intervention to privilege strategic supranational and subnational spaces of accumulation • Underwriting the costs of private investment through state subsidies • Transfer of erstwhile forms of public employment to the private sector through privatization
<i>International configuration</i>	<ul style="list-style-type: none"> • De-centering of the national scale of accumulation, regulation, and sociopolitical struggle • Undercutting of regulatory standards across localities, regions, national states, and supranational economic zones 	<ul style="list-style-type: none"> • “Relativization of scales” as relations among subnational, national, and supranational institutional forms are systematically rearranged • Introduction of policies to promote market-mediated, competitive relations among subnational (regional and local) levels of state power

Table 1: Continued

Site of Regulation	Moment of Destruction	Moment of Creation
<i>Uneven spatial development</i>	<ul style="list-style-type: none"> • Selective withdrawal of state support for declining regions and cities • Destruction of traditional relays of compensatory, redistributive regional policy (spatial Keynesianism) 	<ul style="list-style-type: none"> • Mobilization of new forms of state policy to promote capital mobility within supranational trade blocs and to encourage capital (re)investment within strategic city-regions and industrial districts • Establishment of new forms of sociospatial inequality, polarization, and territorial competition at global, national, and subnational scales

Table 1 provides no more than a schematic starting point through which the dynamics of creative destruction associated with contemporary neoliberalization processes might be analyzed. For purposes of simplification, the destructive tendencies sketched in the table refer to those vestiges of the Fordist-Keynesian settlement that have been threatened or undermined through the neoliberal offensive. Concomitantly, the creative tendencies depicted in the table refer to various institutional realignments and political adjustments that have imposed new forms of market discipline upon global, national, and local social relations. As indicated, however, we conceive this dynamic of creative destruction not as a unilinear transition from one coherently bounded regulatory system to another, but rather as an uneven, multiscalar, multidirectional, and open-ended restructuring process that generates pervasive governance failures, crisis tendencies, and contradictions of its own. For, as Lipietz (1992) likewise emphasizes, the dynamic of creative destruction never occurs on a blank slate in which the “old order” is abruptly obliterated and the “new order” is unfurled as a fully formed totality. Rather, it takes place on an aggressively contested institutional landscape in which newly emergent “projected spaces” interact conflictually with inherited regulatory arrangements, leading in turn to new, unforeseen, and often highly unstable layerings of political-economic space (see also Lipietz 1994). These newly combined amalgamations of inherited and emergent institutional arrangements may then provide a political arena in and through which subsequent struggles over the regulation of accumulation, and its associated contradictions, can be articulated and fought out.

Throughout this discussion, we have underscored the thoroughly multiscalar character of contemporary neoliberalization tendencies. Clearly, the processes of creative destruction outlined above have been unfolding at a range of geographical scales and in a variety of institutional sites since the geoeconomic crises of the early 1970s. We would argue, however, that cities have become strategically crucial arenas in which neoliberal forms of creative destruction have been unfolding during the last three decades. The other contributions to this volume examine this ongoing urbanization of neoliberalism incisively through a variety of theoretical, methodological, political, and empirical lenses. Therefore, our goal in the penultimate section of this essay is to outline, in general terms, why cities may be viewed as key politico-institutional arenas within the broader geographies of actually existing neoliberalism.

Spaces of Neoliberalization (3): Cities

The preceding discussion underscored the ways in which the world-wide ascendancy of neoliberalism during the early 1980s was closely intertwined with a pervasive rescaling of capital-labor relations, intercapitalist competition, financial and monetary regulation, state power, the international configuration, and uneven development throughout the world economy. As the taken-for-granted primacy of the national scale has been undermined in each of these arenas, inherited formations of urban governance have likewise been reconfigured quite systematically throughout the older industrialized world. While the processes of institutional creative destruction associated with actually existing neoliberalism are clearly transpiring at all spatial scales, it can be argued that they are occurring with particular intensity at the urban scale, within major cities and city-regions.

On the one hand, cities today are embedded within a highly uncertain geoeconomic environment characterized by monetary chaos, speculative movements of financial capital, global location strategies by major transnational corporations, and rapidly intensifying interlocality competition (Swyngedouw 1992b). In the context of this deepening “global-local disorder” (Peck and Tickell 1994), most local governments have been constrained—to some degree, independently of their political orientation and national context—to adjust to heightened levels of economic uncertainty by engaging in short-termist forms of interspatial competition, place-marketing, and regulatory undercutting in order to attract investments and jobs (Leitner and Sheppard 1998). Meanwhile, the retrenchment of national welfare state regimes and national intergovernmental systems has likewise imposed powerful new fiscal constraints upon cities, leading to major budgetary cuts during a period in which local social problems and conflicts have intensified in conjunction with rapid economic restructuring.

On the other hand, in many cases, neoliberal programs have also been directly “interiorized” into urban policy regimes, as newly formed territorial alliances attempt to rejuvenate local economies through a shock treatment of deregulation, privatization, liberalization, and enhanced fiscal austerity. In this context, cities—including their suburban peripheries—have become increasingly important geographical targets and institutional laboratories for a variety of neoliberal policy experiments, from place-marketing, enterprise and empowerment zones, local tax abatements, urban development corporations, public-private partnerships, and new forms of local boosterism to workfare policies, property-redevelopment schemes, business-incubator projects, new strategies of social control, policing, and surveillance, and a host of other institutional modifications within the local and regional state apparatus. As the contributions to this volume indicate in detail, the overarching goal of such neoliberal urban policy experiments is to mobilize city space as an arena both for market-oriented economic growth and for elite consumption practices. Table 2 schematically illustrates some of the many politico-institutional mechanisms through which neoliberal projects have been localized within North American and western European cities during the past two decades, distinguishing in turn their constituent (partially) destructive and (tendentially) creative moments.

Table 2 is intended to provide a broad overview of the manifold ways in which contemporary processes of neoliberalization have affected the institutional geographies of cities throughout North America and Western Europe. For present purposes, two additional aspects of the processes of creative destruction depicted in the table deserve explication.

First, it is important to underscore that the processes of neoliberal localization outlined in the table necessarily unfold in place-specific forms and combinations within particular local and national contexts. Indeed, building upon the conceptualization of actually existing neoliberalism developed above, we would argue that patterns of neoliberal localization in any national or local context can be understood adequately only through an exploration of their complex, contested interactions with inherited national and local regulatory landscapes. The contributions to this volume provide abundant evidence for this proposition with reference to diverse pathways of neoliberal localization. Moreover, as these essays demonstrate, the different pathways of neoliberal urban restructuring that have crystallized throughout the older industrialized world reflect not only the diversity of neoliberal political projects but also the contextually specific *interactions* of such projects with inherited frameworks of urban political-economic regulation. An examination of the diverse pathways through which neoliberal political agendas have been imposed upon and reproduced

Table 2: Destructive and Creative Moments of Neoliberal Localization

Mechanisms of Neoliberal Localization	Moment of Destruction	Moment of Creation
<i>Recalibration of intergovernmental relations</i>	<ul style="list-style-type: none"> • Dismantling of earlier systems of central government support for municipal activities 	<ul style="list-style-type: none"> • Devolution of new tasks, burdens, and responsibilities to municipalities; creation of new incentive structures to reward local entrepreneurialism and to catalyze “endogenous growth”
<i>Retrenchment of public finance</i>	<ul style="list-style-type: none"> • Imposition of fiscal austerity measures upon municipal governments 	<ul style="list-style-type: none"> • Creation of new revenue-collection districts and increased reliance of municipalities upon local sources of revenue, user fees, and other instruments of private finance
<i>Restructuring the welfare state</i>	<ul style="list-style-type: none"> • Local relays of national welfare service-provision are retrenched; assault on managerial-welfarist local state apparatuses 	<ul style="list-style-type: none"> • Expansion of community-based sectors and private approaches to social service provision • Imposition of mandatory work requirements on urban welfare recipients; new (local) forms of workfare experimentation
<i>Reconfiguring the institutional infrastructure of the local state</i>	<ul style="list-style-type: none"> • Dismantling of bureaucratized, hierarchical forms of local public administration • Devolution of erstwhile state tasks to voluntary community networks • Assault on traditional relays of local democratic accountability 	<ul style="list-style-type: none"> • “Rolling forward” of new networked forms of local governance based upon public–private partnerships, “quangos,” and the “new public management” • Establishment of new institutional relays through which elite business interests can directly influence major local development decisions

Table 2: Continued

Mechanisms of Neoliberal Localization	Moment of Destruction	Moment of Creation
<i>Privatization of the municipal public sector and collective infrastructures</i>	<ul style="list-style-type: none"> • Elimination of public monopolies for the provision of standardized municipal services (utilities, sanitation, public safety, mass transit, etc) 	<ul style="list-style-type: none"> • Privatization and competitive contracting of municipal services • Creation of new markets for service delivery and infrastructure maintenance • Creation of privatized, customized, and networked urban infrastructures intended to (re)position cities within supranational capital flows
<i>Restructuring urban housing markets</i>	<ul style="list-style-type: none"> • Razing public housing and other forms of low-rent accommodation • Elimination of rent controls and project-based construction subsidies 	<ul style="list-style-type: none"> • Creation of new opportunities for speculative investment in central-city real estate markets • Emergency shelters become “warehouses” for the homeless • Introduction of market rents and tenant-based vouchers in low-rent niches of urban housing markets
<i>Reworking labor market regulation</i>	<ul style="list-style-type: none"> • Dismantling of traditional, publicly funded education, skills training, and apprenticeship programs for youth, displaced workers, and the unemployed 	<ul style="list-style-type: none"> • Creation of a new regulatory environment in which temporary staffing agencies, unregulated “labor corners,” and other forms of contingent work can proliferate • Implementation of work-readiness programs aimed at the conscription of workers into low-wage jobs • Expansion of informal economies

Table 2: Continued

Mechanisms of Neoliberal Localization	Moment of Destruction	Moment of Creation
<i>Restructuring strategies of territorial development</i>	<ul style="list-style-type: none"> • Dismantling of autocentric national models of capitalist growth • Destruction of traditional compensatory regional policies • Increasing exposure of local and regional economies to global competitive forces • Fragmentation of national space-economies into discrete urban and regional industrial systems 	<ul style="list-style-type: none"> • Creation of free trade zones, enterprise zones, and other deregulated spaces within major urban regions • Creation of new development areas, technopoles, and other new industrial spaces at subnational scales • Mobilization of new “glocal” strategies intended to rechannel economic capacities and infrastructure investments into “globally connected” local/regional agglomerations
<i>Transformations of the built environment and urban form</i>	<ul style="list-style-type: none"> • Elimination and/or intensified surveillance of urban public spaces • Destruction of traditional working-class neighborhoods in order to make way for speculative redevelopment • Retreat from community-oriented planning initiatives 	<ul style="list-style-type: none"> • Creation of new privatized spaces of elite/corporate consumption • Construction of large-scale megaprojects intended to attract corporate investment and reconfigure local land-use patterns • Creation of gated communities, urban enclaves, and other “purified” spaces of social reproduction • “Rolling forward” of the gentrification frontier and the intensification of sociospatial polarization • Adoption of the principle of “highest and best use” as the basis for major land-use planning decisions

Table 2: Continued

Mechanisms of Neoliberal Localization	Moment of Destruction	Moment of Creation
<i>Interlocal policy transfer</i>	<ul style="list-style-type: none"> • Erosion of contextually sensitive approaches to local policymaking • Marginalization of “home-grown” solutions to localized market failures and governance failures 	<ul style="list-style-type: none"> • Diffusion of generic, prototypical approaches to “modernizing” reform among policymakers in search of quick fixes for local social problems (eg welfare-to-work programs, place-marketing strategies, zero-tolerance crime policies, etc) • Imposition of decontextualized “best practice” models upon local policy environments
<i>Re-regulation of urban civil society</i>	<ul style="list-style-type: none"> • Destruction of the “liberal city” in which all inhabitants are entitled to basic civil liberties, social services, and political rights 	<ul style="list-style-type: none"> • Mobilization of zero-tolerance crime policies and “broken windows” policing • Introduction of new discriminatory forms of surveillance and social control • Introduction of new policies to combat social exclusion by reinserting individuals into the labor market
<i>Re-representing the city</i>	<ul style="list-style-type: none"> • Postwar image of the industrial, working-class city is recast through a (re-)emphasis on urban disorder, “dangerous classes,” and economic decline 	<ul style="list-style-type: none"> • Mobilization of entrepreneurial discourses and representations focused on the need for revitalization, reinvestment, and rejuvenation within major metropolitan areas

within cities is therefore central to any comprehensive inquiry into the geographies of actually existing neoliberalism.

A second, equally important issue concerns the evolution and/or reconstitution of neoliberal forms of urban policy since their initial deployment in North American and western European cities during the late 1970s and early 1980s. Drawing upon the periodization introduced by Peck and Tickell in this volume, we have already alluded

above to the various mutations that neoliberalization processes have undergone since the late 1970s. The essential point at this juncture of our discussion is that these mutations of neoliberalism have unfolded in particularly pronounced forms within major cities and city-regions. Indeed, we would argue that each of the broader phases of neoliberalization outlined by Peck and Tickell has been anchored and fought out within strategic urban spaces.

- During the initial phase of “proto-neoliberalism,” cities became flashpoints both for major economic dislocations and for various forms of sociopolitical struggle, particularly in the sphere of social reproduction. Indeed, the problematic of collective consumption acquired such political prominence during this period that Castells (1972) interpreted it as the sociological essence of the urban phenomenon itself under capitalism. In this context, cities became battlegrounds in which preservationist and modernizing alliances struggled to influence the form and trajectory of economic restructuring during a period in which the postwar growth regime was being systematically undermined throughout the older industrialized world. Consequently, local economic initiatives were adopted in many older industrial cities in order to promote renewed growth from below while maintaining established sociopolitical settlements and redistributive arrangements.
- During the era of “roll-back” neoliberalism in the 1980s, the dominant form of neoliberal urban policy shifted significantly. In this era of lean government, municipalities were increasingly constrained to introduce various kinds of cost-cutting measures—including tax abatements, land grants, cutbacks in public services, the privatization of infrastructural facilities, and so forth—in order to lower the costs of state administration, capitalist production, and social reproduction within their jurisdictions, and thereby to accelerate external investment. Traditional Fordist-Keynesian forms of localized collective consumption were retrenched, in this context, as fiscal austerity measures were imposed upon local governments by neoliberalizing national state apparatuses. Under these conditions, enhanced administrative efficiency and direct and indirect state subsidies to large corporations and an increasing privatization of social reproduction functions were widely viewed as the “best practices” for promoting a good business climate within major cities. The contradictions of this zero-sum, cost-cutting form of urban entrepreneurialism are now evident throughout North America and Western Europe. In addition to its highly polarizing consequences for major

segments of local, regional, and national populations (see Keil this volume; MacLeod this volume), the effectiveness of such strategies for promoting economic rejuvenation has been shown to decline quite precipitously as they are diffused throughout urban systems (Cheshire and Gordon 1996; Leitner and Sheppard 1998).

- The subsequent consolidation of “roll-out” neoliberalism in the early 1990s may be viewed as an evolutionary reconstitution of the neoliberal project in response to its own immanent contradictions and crisis tendencies. Throughout this decade, a marked reconstitution of neoliberal strategies occurred at the urban scale as well. On the one hand, the basic neoliberal imperative of mobilizing economic space—in this case, city space—as a purified arena for capitalist growth, commodification, and market discipline remained the dominant political project for municipal governments throughout the world economy. Indeed, as Weber’s contribution to this volume indicates, state institutions during this period became even more directly involved in the creative destruction of urban built environments (see also Hackworth and Smith 2001). On the other hand, the conditions for promoting and maintaining economic competitiveness were reconceptualized by many urban political and economic elites to include diverse administrative, social, and ecological criteria (Jessop this volume; see also Harloe 2001). The institutionally destructive neoliberalisms of the 1980s were thus apparently superseded by qualitatively new forms of neoliberal localization that actively addressed the problem of establishing nonmarket forms of coordination and cooperation through which to sustain the accumulation process (Gough this volume; Peck and Tickell this volume).

Under these circumstances, the neoliberal project of institutional creation is no longer oriented simply towards the promotion of market-driven capitalist growth; it is also oriented towards the establishment of new flanking mechanisms and modes of crisis displacement through which to insulate powerful economic actors from the manifold failures of the market, the state, and governance that are persistently generated within a neoliberal political framework (Jones and Ward this volume). Just as crucially, these mutations have also entailed a number of significant institutional realignments at the urban scale, including: (a) the establishment of cooperative business-led networks in local politics; (b) the mobilization of new forms of local economic development policy that foster interfirm cooperation and industrial clustering; (c) the deployment of community-based programs to alleviate social exclusion;

(d) the promotion of new forms of coordination and inter-organizational networking among previously distinct spheres of local state intervention; and (e) the creation of new regional institutions to promote metropolitan-wide place-marketing and intergovernmental coordination (see Gough this volume; Jessop this volume; Jones and Ward this volume; Leitner and Sheppard this volume).

Clearly, then, as this schematic discussion indicates, the creative destruction of institutional space at the urban scale does not entail a linear transition from a generic model of the “welfare city” towards a new model of the “neoliberal city.” Rather, these multifaceted processes of local institutional change involve a contested, trial-and-error searching process in which neoliberal strategies are being mobilized in place-specific forms and combinations in order to confront some of the many regulatory problems that have afflicted advanced capitalist cities during the post-1970s period. However, as several contributors to this volume aptly demonstrate, even in the contemporary “roll-out” phase, neoliberal strategies of localization severely exacerbate many of the regulatory problems they ostensibly aspire to resolve—such as economic stagnation, unemployment, sociospatial polarization, and uneven development—leading in turn to unpredictable mutations of those very strategies and the institutional spaces in which they are deployed (see Jones and Ward this volume; Keil this volume; MacLeod this volume). Consequently, the manifold forms and pathways of neoliberal localization discussed in this volume must be viewed, not as coherent, sustainable solutions to the regulatory problems of post-1970s capitalism, but rather as deeply contradictory restructuring strategies that are significantly destabilizing inherited landscapes of urban governance and socioeconomic regulation throughout the older industrialized world.

Conclusion: From Neoliberalized Cities to the Urbanization of Neoliberalism?

It would appear, then, that cities are not merely localized arenas in which broader global or national projects of neoliberal restructuring unfold. On the contrary, as all of the contributions to this volume indicate, cities have become increasingly central to the reproduction, mutation, and continual reconstitution of neoliberalism itself during the last two decades. Indeed, it might be argued that a marked urbanization of neoliberalism has been occurring during this period, as cities have become strategic targets for an increasingly broad range of neoliberal policy experiments, institutional innovations, and politico-ideological projects. Under these conditions, cities have become the incubators for many of the major political and ideological strategies

through which the dominance of neoliberalism is being maintained (see Smith this volume).

The causes, trajectories, and ramifications of this urbanization of neoliberalism remain a matter of intense discussion and debate among critical geographers and other radical scholars. The contributions to this volume may therefore be interpreted on at least two different levels: first, as attempts to document the manifold ways in which cities have figured in the reproduction and transformation of neoliberalism; and second, as attempts to analyze the complex, confusing, and often highly contradictory implications of this ongoing neoliberalization of urban political-economic space. While the contributions represent a range of theoretical, thematic, and political perspectives, they share a common concern: to decode the leaner and meaner urban geographies that have emerged throughout the older industrialized world during the last three decades. It is hoped that such critical decodings may also, in some modest way, help open up new perspectives for imagining and ultimately implementing strategies for pushing back the current neoliberal offensive, both at the urban scale and beyond.

At the present time, it remains to be seen whether the powerful contradictions inherent within the current urbanized formation of roll-out neoliberalism will provide openings for more progressive, radical democratic reappropriations of city space, or whether, by contrast, neoliberal agendas will be entrenched still further within the underlying institutional structures of urban governance. Should this latter outcome occur, we have every reason to anticipate the crystallization of still leaner and meaner urban geographies in which cities engage aggressively in mutually destructive place-marketing policies, in which transnational capital is permitted to opt out from supporting local social reproduction, and in which the power of urban citizens to influence the basic conditions of their everyday lives is increasingly undermined. As we contemplate this rather grim scenario of a neoliberalized urban authoritarianism, Harvey's (1989:16) suggestion from over a decade ago remains as urgently relevant as ever to contemporary struggles to work towards alternative urban futures, grounded upon the priorities of radical democracy, social justice, and grassroots empowerment:

The problem is to devise a geopolitical strategy of interurban linkage that mitigates interurban competition and shifts political horizons away from the locality and into a more generalisable challenge to capitalist uneven development ... [A] critical perspective on urban entrepreneurialism indicates not only its negative impacts but its potentiality for transformation into a progressive urban corporatism, armed with a keen geopolitical sense of how to build alliances and linkages across space in such a way as to mitigate if not challenge

the hegemonic dynamic of capitalist accumulation to dominate the historical geography of social life.

Acknowledgments

In writing this essay, we have benefited from discussions with a number of friends and colleagues, including Jamie Gough, Bob Jessop, Martin Jones, Gordon MacLeod, Jamie Peck, and Kevin Ward. We would also like to express our gratitude to all of the participants in the Chicago Conference on Neoliberalism and the City for their critical engagement with these ideas. For helpful comments on earlier drafts of this essay, we are grateful to Margit Mayer and Loïc Wacquant. Needless to say, we assume full responsibility for all remaining errors of fact and interpretation.

Endnotes

¹ The utopian visions of competitive, self-regulating markets that are propagated within neoliberal ideology are situated, quite literally, “no place”: the law of the market is presumed to operate in the same way, and with essentially the same effects, no matter where it is unleashed, leading in turn to economic stability, convergence, and equilibrium. In stark contrast, as we argue in more detail below, actually existing neoliberalisms are always embedded within inherited frameworks of institutional organization, political-economic regulation, and sociopolitical struggle that decisively shape the forms of restructuring that are subsequently induced.

References

- Aglietta M (1979) *A Theory of Capitalist Regulation: The US Experience*. New York: Verso
- Altvater E (1992) Fordist and post-Fordist international division of labor and monetary regimes. In M Storper and A J Scott (eds) *Pathways to Industrialization and Regional Development* (pp 21–45). New York: Routledge
- Amin S (1997) *Capitalism in the Age of Globalization*. London: Zed
- Bourdieu P (1998) *Acts of Resistance: Against the Tyranny of the Market*. New York: Free Press
- Boyer R and Saillard Y (eds) (1995) *Théorie de la régulation: l'état des savoirs*. Paris: La Découverte
- Brenner N (2001) *Entrepreneurial Cities, “Glocalizing” States and the New Politics of Scale: Rethinking the Political Geographies of Urban Governance in Western Europe*. Working Paper 76a/76b. Cambridge, MA: Center for European Studies, Harvard University
- Castells M (1972) *La question urbaine*. Paris: Maspéro
- Cheshire P and Gordon I (1996) Territorial competition and the predictability of collective (in)action. *International Journal of Urban and Regional Research* 20(3):383–399
- Duncan S and Goodwin M (1987) *The Local State and Uneven Development*. London: Polity Press
- Eisenschitz A and Gough J (1993) *The Politics of Local Economic Policy: The Problems and Possibilities of Local Initiative*. Basingstoke: Macmillan
- Gill S (1992) Economic globalization and the internationalization of authority: Limits and contradictions. *Geoforum* 23(3):269–283
- Gill S (1995) Globalisation, market civilisation and disciplinary neoliberalism. *Millennium* 24:399–423

- Hackworth J and Smith N (2001) The changing state of gentrification. *Tijdschrift voor Economische en Sociale Geografie* 92(4):464–477
- Harloe M (2001) Social justice and the city: The new “liberal formulation.” *International Journal of Urban and Regional Research* 25(4):889–897
- Harvey D (1982) *The Limits to Capital*. Chicago: University of Chicago Press
- Harvey D (1989) From managerialism to entrepreneurialism: The transformation in urban governance in late capitalism. *Geografiska Annaler* 71B:3–17
- Hudson R (2001) *Producing Places*. New York: Guilford Press
- Inis E (1998) Governing Toronto without government: Liberalism and neoliberalism. *Studies in Political Economy* 56:169–191
- Jessop B (1989) Conservative regimes and the transition to post-Fordism: The cases of Great Britain and West Germany. In M Gottdiener and N Komninos (eds) *Capitalist Development and Crisis Theory* (pp 261–299). New York: St. Martin’s Press
- Jessop B (1992) Fordism and post-Fordism: A critical reformulation. In M Storper and A J Scott (eds) *Pathways to Industrialization and Regional Development* (pp 46–69). New York: Routledge
- Jessop B (1994) Post-Fordism and the state. In A Amin (ed) *Post-Fordism: A Reader* (pp 251–279). Oxford: Blackwell
- Jessop B (1999) Narrating the future of the national economy and the national state: Remarks on remapping regulation and reinventing governance. In G Steinmetz (ed) *State/Culture: State Formation after the Cultural Turn* (pp 378–405). Ithaca, NY: Cornell University Press
- Jessop B (2000) The crisis of the national spatiotemporal fix and the ecological dominance of globalizing capitalism. *International Journal of Urban and Regional Research* 24:323–360
- Jessop B and Stones R (1992) Old city and new times: Economic and political aspects of deregulation. In L Budd and S Whimster (eds) *Global Finance and Urban Living* (pp 171–192). Routledge: London
- Lefebvre H [1974] (1991) *The Production of Space*. London: Blackwell
- Leitner H and Sheppard E. (1998) Economic uncertainty, interurban competition and the efficacy of entrepreneurialism. In T Hall and P Hubbard (eds) *The Entrepreneurial City* (pp 285–308). Chichester: Wiley
- Lipietz A (1987) *Mirages and Miracles: The Crisis of Global Fordism*. London: Verso
- Lipietz A (1988) Reflections on a tale: The Marxist foundations of the concepts of regulation and accumulation. *Studies in Political Economy* 26:7–36
- Lipietz A (1992) A regulationist approach to the future of urban ecology. *Capitalism, Nature, Socialism* 3(3):101–110
- Lipietz A (1994) The national and the regional: Their autonomy vis-à-vis the capitalist world crisis. In R Palan and B Gills (eds) *Transcending the State-Global Divide* (pp 23–44). Boulder: Lynne Rienner Publishers
- Lipietz A (1996) Warp, woof, and regulation: A tool for social science. In G Benko and U Strohmayr (eds) *Space and Social Theory* (pp 250–283). Cambridge, MA: Blackwell
- MacKinnon D (2001) Regulating regional spaces: State agencies and the production of governance in the Scottish highlands. *Environment and Planning A* 33(5): 823–844
- Massey D (1985) *Spatial Divisions of Labour*. London: Macmillan
- Moody K (1997) *Workers in a Lean World*. New York: Verso
- Peck J (1998) Geographies of governance: TECs and the neo-liberalisation of “local interests.” *Space & Polity* 2(1):5–31
- Peck J and Tickell A (1994) Searching for a new institutional fix: The after-Fordist crisis and global-local disorder. In A Amin (ed) *Post-Fordism: A Reader* (pp 280–315). Oxford: Blackwell

- Peck J and Tickell A (1995) The social regulation of uneven development: “Regulatory deficit,” England’s South East and the collapse of Thatcherism. *Environment and Planning A* 27(1):15–40
- Petit P (1999) Structural forms and growth regimes of the post-Fordist era. *Review of Social Economy* LVII(2): 220–243
- Rhodes M (1995) “Subversive liberalism”: market integration, globalization and the European welfare state. *Journal of European Public Policy* 2(3):384–406
- Smith N (1984) *Uneven Development*. Oxford: Blackwell
- Storper M and Walker R (1989) *The Capitalist Imperative: Territory, Technology and Industrial Growth*. London: Blackwell
- Swyngedouw E (1992a) Territorial organization and the space/technology nexus. *Transactions, Institute of British Geographers* 17:417–433
- Swyngedouw E (1992b) The Mammon quest: “Glocalisation,” interspatial competition and the monetary order: The construction of new scales. In M Dunford and G Kafkalas (eds) *Cities and Regions in the New Europe* (pp 39–62). London: Belhaven Press
- Swyngedouw E (1997) Neither global nor local: “Glocalization” and the politics of scale. In K Cox (ed) *Spaces of Globalization* (pp 137–166). New York: Guilford

Neil Brenner is an Assistant Professor of Sociology and Metropolitan Studies at New York University. He is currently writing a monograph entitled “*Glocalizing*” *States: Urban Governance and State Rescaling in Western Europe*. His research and teaching focus on critical urban studies, state theory and sociospatial theory.

Nik Theodore is an Assistant Professor in Urban Planning and Policy and Research Director of the Center for Urban Economic Development at the University of Illinois at Chicago. His research focuses on labor-market restructuring, urban inequality, contingent work, and employment policy.