



# Neoliberalism and Socialisation in the Contemporary City: Opposites, Complements and Instabilities

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This paper explores some dialectics of neoliberalism and socialisation in contemporary urbanism. The significance of socialisation—nonmarket cooperation between social actors—in both production and reproduction has tended to increase in the long term. Socialisation does not always take politically progressive forms, yet it always has a problematic relation with private property and class discipline. Socialisation of diverse forms grew during the long boom, but this exacerbated the classic crisis tendencies of capitalism and resulted in increasing politicisation. Neoliberalism offered a resolution of these tensions by imposing unmediated value relations and class discipline, fragmenting labour and capital and fostering depoliticisation. However, this has led to manifest inefficiencies and failure adequately to reproduce the wage relation. Many longstanding forms of socialisation have therefore been retained, if in modified forms. Moreover, substantially new forms of urban socialisation have developed in cities. This paper examines the role of business organisations, industrial clusters, top-down mobilisation of community and attempts at “joined-up” urban governance. It is argued that these fill gaps in socialisation left by neoliberalism. Their neoliberal context has largely prevented their politicisation, in particular heading off any socialist potential. Indeed, the new forms of urban socialisation have internalised neoliberal social relations and often deepened social divisions. Thus, paradoxically, they can achieve the essential aims of neoliberalism better than “pure” neoliberalism itself. Nevertheless, these forms of socialisation are often weakened by neoliberalism. Contemporary urban class relations and forms of regulation thus reflect both opposition and mutual construction between neoliberal strategies and forms of socialisation. The paper ends by briefly contrasting this theorisation with associationalist and regulationist approaches.

## **Introduction**

Neoliberalism poses itself as the end of the social. It seeks to unshackle social actors from social and political constraints, to enable the firm freely to maximise its profits and the individual his or her “utility”. Private property is to be freed from collective rights and obligations, in particular from state interference, though the state is required all the more strongly to protect property from infringement by others. This implies particular relations between capital and labour in which

the worker confronts capital as an individual rather than a member of a collective or a citizen, freeing capital both in its purchase of labour power and in the latter's consumption within the workplace.

However, this project is haunted by the logic of what I will refer to as "socialisation"—the coordination and cooperation of social actors other than through markets.<sup>1</sup> This logic is present both in production and in the social sphere on the grounds of the efficiency of waged and unwaged work and the satisfaction of human needs (Offe 1984). Thus, to the extent that people are able to press for the satisfaction of their needs and to the extent that business is concerned for the efficiency of production, neoliberalism faces dilemmas. The break-up of longstanding forms of socialisation within cities has caused manifest inefficiencies, not only for workers and residents but also for business. This has meant that many important forms of socialisation have not been destroyed altogether, but rather have been reformed in particular, always problematic, ways by neoliberalism. Moreover, substantially new forms of urban socialisations of production and reproduction have emerged, stamped by their neoliberal context. Brenner and Theodore highlight these deviations from "pure" neoliberalism—the messy business of "actually existing neoliberalism"—in their introduction to this volume. This paper attempts a theorisation of them.

A large left literature exists showing that neoliberalism has led to inefficient production, as well as declining standards of life of the working class (a term I use in its Marxist sense). However, this begs some questions. Why has the neoliberal offensive continued despite these palpable failures? And, on the other hand, what forms of socialisation have continued or emerged, and how are they related to their apparent opposite, neoliberalism?

Socialisation within capitalist society can take very different forms politically. It may reflect and embody a real class compromise, as in classical social democracy: an attempt to steer capital into high-productivity paths that are relatively beneficial for quality of employment and living standards. Alternatively, socialisation may simply respond to demands of capital: it can provide labour power with suitable resources and attitudes as well as other inputs to profitable production, and can organise particular paths of accumulation. Thus, socialisation in the present period, though formally opposed to neoliberal principles, may in practice reinforce the class project of neoliberalism by creating real rather than merely formal options and freedoms for capital. This paper maps some of the ways in which contemporary socialisations in cities complement and internalise neoliberalism.

Because it involves direct and explicit relations between actors, rather than relations mediated by impersonal value, socialisation of whatever political complexion can become excessively politicised from the point of view of capital (Habermas 1976; Offe 1984). Indeed,

neoliberalism developed precisely as a response to such problems (Bonefeld 1993; Bonefeld, Brown and Burnham 1995; Clarke 1988). I therefore seek in this paper to trace the historical development of the tension between the impersonal discipline of value and the political conflict immanent in socialisation in the city. This attempts to fill a gap in the literature on neoliberalism as depoliticisation (Bonefeld 1993; Bonefeld, Brown and Burnham 1995), which has underresearched the local scale and the reproduction sphere.

The paper thus seeks to interpret the contemporary city in terms of the contradictory relation between neoliberalism and socialisation—that is, both their conflict *and* their mutual construction. As this abstract dualism is developed towards historically and spatially concrete forms, I seek to show how socialisation can internalise neoliberalism and vice versa, thus complexifying the two poles. We are concerned here not only with impersonal structures but, crucially, with consciousness and political struggle and with their historical development.

I use “city” here as shorthand for the local or regional scale. This scale has a particular relevance to the neoliberalism–socialisation dialectic. On the one hand, cities contain sets of interdependencies within production and reproduction and between them facilitated by proximity, which I have termed “locally-effective structures” (Gough 1991; see also Cox 1998; Harvey 1989). On the other hand, localities are strongly subject to the pressures of capital mobility by virtue of their limited size and their formal political constitution. We shall explore how this contradiction has been developed in the present period.

The second section of the paper considers the notion of socialisation within capitalist society and its historical development. On this basis, it proposes a particular account of the origins of neoliberalism, conceived as a set of class relations. The third section examines how neoliberalism has restructured cities, but also looks at the persistence of longstanding forms of urban socialisation despite neoliberalism. The fourth considers four examples of new or substantially reworked forms of socialisation within the contemporary city, and their complex dialectics with neoliberal disciplines and fragmentations. The concluding section considers some theoretical and political issues.

## **The Socialisation of Capitalism and the Neoliberal Response**

The core mechanisms of capitalism—capitalist production of commodities, the sale of labour power by individual workers, flows of capital governed by prospects of individual profit—have never been adequate in their pure form to ensure sustained accumulation nor, *a fortiori*, to meet the needs of the working class. Consequently, there are chronic pressures from sections of both capital and labour towards collaborative nonmarket arrangements, through both civil society

and the state, to mediate the core relations. This “socialisation” relates to both production and the reproduction of people. Because the reproduction of labour power is important to capital, and because employment depends on profitability, *both* spheres are the concern of *both* classes. It is, therefore, misleading to conceive of socialisation as serving accumulation and legitimation as distinct aims: accumulation is vital for popular legitimation, and the reproduction sphere underpins accumulation. As we shall see, this greatly complicates the politics of socialisation.

Socialisation of production and reproduction can have very varied class politics. It can be conservative, as in the state-*zaibatsu* planning of production in Japan or in the public services of postwar West Germany, which were structured to encourage polarised gender roles and family stability. It can be social-democratic, as in the regulation of production and industrial bargaining in the Federation Settlement in Australia or in the classical welfare state in Scandinavia. Or it can express—and unstably embody—an offensive of labour against capital, as in the forms of workers’ and residents’ control of production, housing and urban services during the 1969–1970 events in northern Italy. Note, then, that socialisation does not always have a social-democratic nature. This political ambiguity will be of central concern in the argument below.

Over the very long-term development of capitalist industrialism, socialisation of both production and reproduction tends to deepen. This arises, *inter alia*, from an increase in capitals of long turnover times, increases in the knowledge intensity of production, and the increasing complexity and cultural content of reproduction commodities and public services, all of which produce pressures for coordination at varied scales. These pressures underlay the enormous extension of socialisation during the postwar boom in all the developed countries. Not only was demand managed by nation-states to underpin investments of long turnover time, but national, regional and local states became increasingly involved in aspects of production, including the coordination of sectoral investment, training, research and development and land and property. These interventions were typically carried out in concert with representative bodies of business, and sometimes of labour, too (de Brunhof 1978). The range and types of welfare service increased, deepening their cultural politics. State regulation of conditions of waged work and of commodity inputs to reproduction similarly increased enormously. Both the mix and the class relations of these forms of socialisation, however, varied strongly between different countries (de Brunhof 1978; Esping-Andersen 1990).

For the most part, the forms of socialisation developed in the postwar boom contributed positively to the unprecedentedly rapid rate of capital accumulation. However, this was a contradictory process.

Socialisation organised the *use values* (material processes) of production and reproduction more efficiently than would otherwise have been the case, but this had some negative impacts on *value* relations. By enhancing the accumulation of productive capital, it accelerated the growth of the organic composition of capital, hence tending to depress the rate of profit (Mandel 1978). A historically low rate of unemployment was a product both of successfully organised accumulation and, in some countries, of working-class pressure (Therborn 1986). However, in Europe in particular this cumulatively strengthened the bargaining power of labour and the size and militancy of union organisations, negatively affecting the rate of exploitation (Glyn and Sutcliffe 1972; Mandel 1978). Moreover, certain types of socialisation became accepted as (nationally specific) norms. This encouraged sections of business, of workers and of residents to organise themselves and bargain with other social actors and with the state to further their perceived interests. Sectors of business increasingly came to see various types of state support as a norm; workers sought to extend bargaining and secure legally based entitlements from employers; the nonwaged and insecurely waged won better state benefits; residents demanded improved public services and urban planning; and women and ethnic minorities, whose social positions had been fundamentally altered by the boom and whose expectations had in many cases been raised by socialisation and its rhetorics, demanded equality and resources in both production and reproduction spheres. Socialisation thus eventually contributed to a wholesale *politicisation* of waged production, reproduction relations and urban spaces. Thus, the new forms of socialisation of the boom, while having beneficial effects on accumulation, came increasingly to undermine it and to weaken capital's command over society.

The long-term decline of the average rate of profit in the major developed countries from its high point in the early 1950s reached a turning point in the late 1960s and early 1970s, resulting in decreased investment rates, increased scrapping of capacity, rising unemployment, wage limitation and restraint of state expenditures. The forms of politicisation engendered by the socialisation of the boom period had crucial impacts during this period of crisis. The civil rights movement in the US developed towards outright rebellions of African Americans, especially in the Rust Belt cities, and this movement helped to mobilise black communities in Europe. The women's and lesbian and gay movements took off, presenting a challenge to whole systems of gender, family, sexuality and social life. Trade unionists, at least at the local level, were organised and confident enough to offer strong resistance to closures and wage restraint. These revolts were closely bound up with urban crises. Populations not only resisted cuts in services but also—more offensively—demanded better-quality

facilities and new types of service (around the particular needs of women and ethnic minorities, for example) and solutions to longstanding inadequacies of housing provision, and contested many large-scale projects in the built environment.

These varied forms of resistance and revolt were sometimes quite distinct, sometimes mutually reinforcing and intertwining. Their significance went beyond their immediate achievements (indeed, many were heavily defeated): the ideas and collective aspirations they generated were crucial. In North America, Australia and most of Western Europe, very substantial minorities of the population questioned the fundamental relations of class, gender, sexuality and “race”, organised struggles around these issues, and episodically won majority support. The multidimensional nature of these struggles, reflecting the varied forms of socialisation addressed, reinforced an upsurge of radical optimism, a key ingredient for a systemic challenge. Through its various forums and discourses, the capitalist class was aware that this constituted a potential threat to its systems of rule, if not (yet) to its existence, the most serious since 1945–1948. A majority feeling emerged among the elite that something radical had to be done to defuse this threat.

The strategy adopted was neoliberalism. Neoliberalism addressed the two immediate, intertwined problems perceived by capital: low average rates of profit, and overpoliticisation and revolt (Bonefeld 1993; Clarke 1988). Specifically:

- 1) *the rate of profit*. Neoliberal policies accelerate the devalorisation of capital, reducing the mass of capital on which profit is calculated. Capital’s increased power over labour enables the rate of surplus value to be increased. Privatisation enables surplus value to be extracted in new sectors. Capital is enabled to flow more easily from low- to high-profit operations, sectors and territories. Taxation falling directly or indirectly on business is reduced.
- 2) *depoliticisation*. Neoliberal strategy is centrally concerned with depoliticising economy and society by weakening or removing historically accumulated forms of socialisation. Existing forms of nonmarket coordination and state regulation are abandoned. Firms are encouraged and compelled to look to their own devices, rather than to the state or collaborations with other capitals. Workers’ collective organisations are weakened, and their job prospects made more directly dependent on the profit rate of capitals employing or potentially employing them. Demands on public services—in particular, to address gender and “racial” inequalities—are resisted on the grounds of the need to reduce state spending “to increase competitiveness”.

People are encouraged and compelled to rely on their own or their household's resources for their reproduction.

This account of the end of the boom and the genesis of a new period differs from institutionalist and regulationist accounts in several crucial respects. First, it does not locate this transition in changing dominant forms of the labour process and/or product markets. Secondly, it emphasises the role of classical Marxist value processes in lowering the rate of profit. Finally, it stresses the problem for capital of politicisation and the key role of the political consciousness of (sections of) the working class.

For capital, then, neoliberalism has a strong logic in the crisis that emerged thirty years ago. Indeed, it is hard to imagine how else capital could have reacted to this crisis in the long run. Neoliberalism, then, is not simply freeing of markets, as it is represented in neoclassical theory and in some left work.<sup>2</sup> Rather, it is a strategy for shifting value relations and political balance of forces and hence imposing capital's discipline on the working class and oppressed groups.<sup>3</sup> However, neither can it be specified simply, as it is in much urban literature, as a strategy which imposes "the interests of business" above all other social considerations: many varieties of conservative regime have done this. Neoliberalism is a *particular* strategy for accumulation, especially in its approach to socialisation, arising from a particular political conjuncture.

### **Breaks and Continuities in Urban Socialisation under Neoliberalism**

In line with this political project, neoliberalism within cities of North America, Western Europe, Australia and New Zealand has promoted:

- 1) enhanced sectoral and spatial mobility of capital, freed from earlier national and local socialisations; hence deepened individualism of firms and disinclination to cooperate with others;
- 2) a sharper dominance of capital within the labour process and the employment relation, and an accentuation of the disciplinary rather than cooperative aspects of the employment relation;
- 3) sharpened competition between workers for jobs organised at varied spatial scales, from the individual to the local to the national (Gough 1992);
- 4) cuts in state services and increases in charges for them, widening the commodification of reproduction;
- 5) restructuring of local state services towards, variously, privatisation, decentralisation to quasi-autonomous agencies, fragmentation into distinct cost centres, and measurement of outputs and direct costs as a basis for allocating resources within the state;

- 6) inflection of local state services and regulation towards the immediately expressed or perceived demands of particular capitals, in particular to promote the competition of “the locality” against others;
- 7) encouragement of possessive individualism, including its expressions in urban space—walled spaces, semiprivatised public space and so on (for a graphic account see Harvey 2000: 133–156); encouragement of self-realisation through consumption of commodities, especially those with class or gender resonance;
- 8) arising from (4), (5) and (7), increasing appropriation of parts of state services by particular groups of residents along lines of class and ethnicity;
- 9) an intensification of the state’s policing of private property, directed particularly against organised labour (linking to [2]) but also against the poor (linking to [7]).

Yet neoliberalism has not been able to erase the logics of socialisation: to the contrary. The new information and communication technologies have tended to intensify the technical need for socialisation by increasing the knowledge intensity of production and social life. Fordist production, with its strong demands for coordination in space and time, has continued in much of manufacturing and been extended to many consumer and business services. Non-Fordist production using task- and product-flexible methods makes even greater demands on skill, knowledge and transport infrastructures.

Neoliberalism has thus had to continue with many of the *broad* forms of socialisation that it inherited. State funding of primary and secondary education and a substantial role in higher education have continued; the state’s role in health care, very different between different countries, has not changed qualitatively in any of them; collective bargaining and a role for the trade unions have remained in some sectors in all countries, even if weakened; some state regulation of working conditions and terms of employment has remained; and some form of land use planning and state input into major property developments have continued. All of these forms of socialisation have traditionally been highly differentiated between countries, and these differences have persisted to a remarkable degree. For example, Terhorst (2001) has shown the long-term continuities in the differences between urban regulation in Amsterdam and Brussels. The nationally specific class relations that were both expressed and institutionalised in forms of socialisation in the boom, and their productive logic, have not been erased, though they have been modified. These class relations are central to the national path dependencies noted by Brenner and Theodore in this volume.



The persistent logic of socialisation is reflected in the economic and social problems that have arisen in those fields where neoliberalism *has* weakened socialisation. The weakening of nonmarket coordination in fields such as training, housing and transport has led to well-documented failures to meet the needs not only of workers (Keil this volume; Weber this volume) but also of capital (Bluestone and Harrison 2000; Green 1989; Jones and Ward this volume; Peck and Tickell 1995a and this volume). Because of this immanence of socialisation, the present-day political economy of cities involves a complex interplay of neoliberal interventions, longstanding forms of socialisation and new or revived forms of coordination. Even in the characteristically neoliberal urban strategies mentioned above, one finds traces of socialisation in the tropes of state–business linkages, community, local solidarity and continuing state direction and funding. The articulations of neoliberal and socialised relations have varied strongly between countries, depending on their inherited, institutionalised class relations (the neoliberal moment being stronger in the US and Britain, for example). One thus finds varied and impure “actually existing neoliberalisms” (Brenner and Theodore this volume). But if neoliberalism and socialisation are formal opposites, how are these articulations realised, and what are their tensions?

### **New Forms of Urban Socialisation under Neoliberalism**

I investigate this question by examining some new or revived forms of local socialisation that have appeared in the last twenty years or so. I consider four important instances: the role of business organisations in urban governance; the promotion of industrial clusters; community initiatives in poor areas; and attempts at “joined-up” urban government. The stylised accounts given here are based mainly on the British and US experiences.

#### *Business Organisations in Urban Politics*

The influence on local politics of local business associations, both sectoral and general, is nothing new, particularly in the US. However, it has increased since the 1980s through the setting up of growth coalitions, the spinning off by national and local states of agencies dominated by business, and the increasing role of business in small firm support, education, training, sport and culture. Neoliberalism’s delegitimation of (strong) state intervention means that business has increasing legitimacy to “sort out urban problems in a businesslike way” (Eisenschitz and Gough 1993:155–158).

It is often supposed that this is a simple outcome of neoliberalism. In much of the literature on growth coalitions and “entrepreneurial cities”, neoliberalism is seen as benefiting business precisely *by* handing over control of urban strategies and implementation to it.

However, this is too simple: it elides collective and individual capital and makes no distinctions between different *modes* of “benefiting business”.

Neoliberalism enhances capital’s sectoral and social mobility and deepens interfirm competition, and thus promotes individualistic or anomic relations of firms to others. It thereby cuts against *collective* action by firms. Yet the growing role of business in the city is organised through *associations* of firms or by getting managers to sit on boards as (supposed) representatives of local business. To this extent, individual firms have to engage in debate, compromises and commitment to implement collective decisions—that is, substantial forms of socialisation (Cox 1993). Such organisation has a strong logic in the present period. Capital seeks to influence the state, given its continuing important role (see the third section of this paper). Without *collective* decisionmaking, individual capitals (firms, sectors) come to dominate urban development and services, which may not merely be “unfair” to other capitals but may actively damage them.

The transfers of urban power to business have been replete with these tensions. In some cases, the urban organisations of business have drawn in most of the major local sectors and have arrived at strategies that, at least, do not clearly disbenefit any of them. This has often been the case in the US and Australia, where city- or state-level business has had long experience and strong legitimacy in such a role. The tensions in the subsequent developments have then been largely conflicts between the business coalition and local residents, with varied reflections in formal politics. However, in many other cases—and this is typically the case in Britain—the business organisations fail to include important sections of capital operating in the locality and are unable or unwilling to develop collective strategies. The businesspeople who sit on boards then represent no one but themselves (Peck and Tickell 1995b). This mode of business involvement runs the risk of popular opposition, not to business’s role as such, but to the more or less “corrupt” influence of *particular* firms. It also risks politicisation through conflicts between sections of capital that are respectively strongly and weakly represented (for the case of the British urban development corporations, see Colenutt and Tansley 1990). In Britain, it is the historic liberal traditions of business that make collective decisionmaking so difficult. Consequently, various policymakers and academics have launched a veritable crusade to get British business to “organise itself better” at the local and regional level (Bennett 1995; Evans and Harding 1997).

We see here, then, some possible complexity of the relation of neoliberalism to socialisation. Collective organisation of local business can further an aim that neoliberalism has set itself: namely, the inflection

of the state towards the interests of capital as a whole. It does so by coordinating complementary elements of accumulation paths. Yet this organisation is at odds with neoliberal prescriptions; the individualism and spatial mobility of capital which neoliberalism accentuates cut against the formation of a collective local business voice. Inclusive as well as more partial involvement of business embodies reactionary class relations, and both are vulnerable to politicisation.

### *Local/Regional Sectoral Clusters*

Localised agglomerations have been an important form of industrialisation since the industrial revolution (Storper and Walker 1989), taking their strongest form in the classical industrial district. Contemporary enthusiasts for the “new regional economy” (eg Scott 1998; Storper 1998) argue that localised sectoral clusters are now the most productive and competitive form for manufacturing and business services, due to an increasingly informational and reflexive industrialism. The ideal type cluster involves important forms of productive socialisation, including collaboration between firms, finance, research centres, sectoral support institutions, the local state and labour; these relations are *durable*, constituting a set of local “conventions” (Storper 1998). Storper’s description of these elements as “nexuses of untraded dependencies” emphasises their congruence with the notion of socialisation.

While many clusters approximate this ideal type, many sectoral agglomerations do not have such strong forms of socialisation, and many sectors and local economies are not organised in this way (Amin and Robins 1990; Markusen 1996; Murray 1987). Nevertheless, “growing” clusters has become a major strategy for local economic agencies, one promoted by nation-states and international bodies (in some cases virtually their *only* strategy, as with the new English Regional Development Agencies).

Clusters are *formally* a departure from neoliberal mobility and individualism to the extent that they involve commitments between actors of substantial duration, require long-term investment in institutional supports, and are geographically immobile “assets”. They differ from the characteristic industrial relations of neoliberalism in that they tend to rest on, and promote, substantially cooperative relations. However, they are also a *response* to the internationalising tendencies and sharpened competition of neoliberalism. These can best be met through the product rents and high value added by the advanced mechanisation, cooperation and use of knowledge (relative surplus value) that the strong socialisation of clusters enables. This is all the more so given that this regional socialisation can compensate for neoliberalism’s weakening of socialisation at the national level (Gough and Eisenschitz 1996; Scott 1998:106).

Moreover, the class relations of the sectoral clusters can be compatible with neoliberalism. Since they are in sharp competition with each other, excessive demands and conflicts can be headed off in the interests of the cluster as a whole. To the extent that the links between firms, finance and institutions are not formalised but are developed and adjusted ad hoc, they do not need to take on a restrictive aspect (Scott 1998). This exemplifies Offe's (1984) argument that *informal* corporatism may avoid politicisation in the present period. The bargaining power of labour might seem to be dangerously large due to the substantial skills and relative immobility of the clusters, but this danger is lessened to the extent that technical surplus profits enable good wages, that cooperative and autonomous styles of working win commitment of workers, and that neoliberalism has weakened or prevented trade union organisation in the sector. Industrial bargaining can then be collective but moderate, as in the Third Italy, or demanding but individualist, as in Lipietz and Leborgne's "Californian model". Indeed, through workers' *self*-discipline, clusters can achieve the essential aim of neoliberalism—the dominance of capital over labour—more subtly and effectively than through overt coercion (Brusco 1982).

Nevertheless, the formal contradiction between local productive socialisation and neoliberal mobilities creates tensions. Even Scott (1998), who argues that regional clusters are fully congruent with neoliberal globalisation, concedes that existing clusters may be undermined by the mobility of productive capital (110), that globalised product and capital markets make it more difficult for regions to develop new clusters (69–71, 94, 134–136) and that industrial districts exacerbate uneven development within cities (72). Attempts to maintain, restructure or initiate local clusters are frequently undermined by the pursuit of individual profit by particular firms (Murray 1987) and by the absence of congruent socialisations at the national level (Gertler 1997).

The socialisation of clusters, then, has a contradictory relation to neoliberalism. Neoliberalism gives clusters a stronger *raison d'être*, but makes them more difficult to implement. Neoliberalism disciplines their class relations, and indeed, in the right circumstances, class discipline can be better realised by local sectoral socialisation than by neoliberalism itself.

### *Enhancing Reproduction of the Poor through Community*

A major feature of the neoliberal city has been the remobilisation of the communities of the poor. Again, there is an antinomy here, since "community", however conceived, is a form of socialisation. Community has been mobilised by poor people themselves in an oppositional mode, resisting the impoverishment created by neoliberalism. However,

poor communities have also been mobilised “from above”. The state has sponsored forms of economic and social reproduction organised through voluntary community networks: community businesses which both provide employment and carry out useful work for the neighbourhood, and cooperatives for housing management, nursery provision, environmental improvements and so on. Poverty programmes have been strongly focused on neighbourhood initiatives, addressing employment, housing, education, crime, the environment and so on, either singly or holistically. In Britain, this kind of mobilisation of community developed in national-state programmes from the early 1990s. These presented themselves as having learnt from the neglect of communities in previous programmes, and proclaimed the importance of consulting with and even “empowering” poor communities. Similarly, since the late 1980s European Union local–regional programmes have required a “community” input. Business plays a substantial, though uneven, role in resourcing community-based poverty initiatives.

Radical literature since the 1960s should alert us to the fact that the term “community” is profoundly ambiguous and open-ended in class terms (Cowley et al 1977): this form of socialisation, too, can internalise very different class relations. How, then, have these top-down mobilisations of community been related to neoliberalism? Again, we find complex dialectics. In the first place, neoliberalism’s creation of poverty not only leads to demands from poor communities themselves but also creates problems for capital. Not only are the poor a cost through state benefits (the institutionalised result of earlier working-class gains) and through their crime and episodic rioting, they also fail to act as effective labour power due to their domestic responsibilities and resources, location, skills, attitudes and health—that is, precisely due to the wide and complex socialisation of the reproduction of labour power. Top-down community regeneration aims to address this *socialisation* and thus not only reduce the cost overheads of the poor but reproduce the poor as effective labour power. On both counts it meets important *neoliberal* aims.

These programmes have largely been contained within the boundaries of capitalist, patriarchal and racist discipline: top-down community socialisation has fostered conservative social relations and has headed off challenges to the forms of power that create poverty (Atkinson 1999; Eisenschitz 1997). Community organisations’ involvement in the running of programmes has often been token or has compromised community representatives as rationers of very limited funds. Where quasi-wage employment is involved through “training” and workfare schemes, this can function mainly as a way of socialising people into low wage labour; indeed, it achieves this better than normal employment, since community businesses can elicit greater

effort, task flexibility and acceptance of insecurity because of their neighbourhood benefits and loyalties. These socialisations have tended to promote rightist forms of communitarianism in ethnic minority communities (Taylor-Gooby 1994). Many community initiatives are directed towards the disciplining of youth, not only by policing and surveillance but also through strengthening parental control. Because of their self-help mode, top-down community initiatives have largely failed to link up with struggles by trade unionists against the neoliberal degradation of public services.

This conservatism of community initiatives has been constructed by their neoliberal environment and the consciousness it generates in the poor. Neoliberalism's onslaughts against the working class as a whole have weakened any expectations that *radical* community action could make a difference: if actions by formerly strong trade unions have been smashed, if public services have been cut over and over again, if whole local industries have been lost without (effective) opposition, then what chance do organisations of the poor have? Moreover, neoliberalism has socially and culturally fragmented the working class, including the poor. People are led to rely on private resources, rather than collective actions. Many people living in poor neighbourhoods deal with their problems by relocating—or by hoping to do so (Byrne 1999). Community organisations are often split by relations of power that have been deepened by neoliberalism. "Racial" differences are the obvious example, but differences of gender have also been crucial: in the west end of Newcastle upon Tyne, the efforts of women to organise against joy-riding and to use area regeneration money have been actively, sometimes violently, opposed by men (Campbell 1993). There have certainly been community initiatives of the poor that have challenged power, but the initiatives sponsored by the state and capital have largely been able to head off such radical dynamics. Socialisation through community has thus been able to further the class aims of neoliberalism by constituting the poor as a real reserve army and by instilling self-discipline and self-reliance.

This is not to say that top-down community stimulation has been without its problems. Its strongly interventionist nature conflicts with neoliberal notions of state withdrawal and threatens politicisation. However, as Robertson and Dale (forthcoming) argue in relation to initiatives to improve the education of the poor in New Zealand, this threat may be contained by *local* targeting of the initiatives, so that they can be presented as *exceptional*, what they term "local states of emergency". Community initiatives run up against contradictions within neoliberalism concerning the articulation of women's roles in production and reproduction. Thus, policies in the US and in Tony Blair's Britain have attempted to push all women of working age into waged work while simultaneously bemoaning the weakening of the

“traditional” family and parental (read maternal) socialisation. Active involvement of the poor in community initiatives is inhibited by the neoliberal context.

The individualism and sectionalism that weaken radical community action also tend to inhibit people from getting involved in state- or business-sponsored initiatives (Robertson and Dale forthcoming). For many men and some women, crime—which neoliberalism has so strongly promoted in all social layers—is a far more promising avenue than such initiatives, and people involved in this subculture keep clear of initiatives with any connection to the state (as in the Newcastle case). Moreover the moralism—whether of the Christian Right or Blair’s Third Way—which so strongly infuses top-down community initiatives is contradicted by some obvious features of neoliberal life: a stronger work ethic is put in question by skyrocketing bourgeois incomes and the gains to be made from purely speculative activities (gambling and game shows for the poor), “strong families” are ridiculed by the commoditisation of sexuality, and so on. Socialisation of reproduction via community has thus been weakened, as well as subtended, by neoliberalism.

### *“Joined-up Government”*

A final example of urban socialisation under neoliberalism is the stated aim of the current Labour government in Britain to develop “joined-up government”, especially in urban policy. It is argued that urban policy has long suffered from lack of coordination of policy for education, health, transport and so on, lack of congruence between different branches of the national and local state, and lack of partnership with organisations of civil society. Divisions of government, and their links with civil society, therefore need to be better “joined up”. Thus poverty has been renamed “social exclusion” to point to a holistic understanding of it as “social” and “cultural” as well as “economic”, while national programmes for area regeneration have emphasised the need for “joined-up government”. This, then, appears as the state taking socialisation seriously, focusing on *social* processes rather than independent actors.

In a sense, the diagnosis is right: state (and, *a fortiori*, business) urban policies have suffered from their lack of holism. This critique has, in fact, been commonplace since at least the 1960s. “Strategic planning” in the 1960s and 1970s attempted to coordinate all elements of urban systems; since the 1980s, innumerable task forces in Britain have had the remit of drawing together services and policies at local and regional levels. There have been some limited achievements of this aim. The decentralisation and semiprivatisation of state services has sometimes facilitated innovation, as the units of delivery have become less constrained by large-scale programmes and departments.

For example, the transfer of social housing from local authorities to housing associations and the proliferation of training providers seem to have facilitated joined-up innovations such as the Foyers, which provide cheap rented housing for youth with training provision included.

However, on the whole, joined-up urban policy has been the exception rather than the rule. Topical areas have remained essentially separate. Even local area programmes continue to be initiated on single topics (education, health and so on). And obvious forms of socialisation have not been addressed at all: the impact of public transport deterioration on social and economic access and, via pollution, on health comes to mind. A general proximate cause of this failure is the neoliberal fragmentation of the urban state, which has made it increasingly difficult to coordinate topical areas. *Within* each policy field, the tendency to make units of delivery (individual schools, hospitals and so on) more autonomous makes it more difficult even to join up a single field.

A second key proximate cause of failure is the retreat by the state from any attempt to shape production directly. This means that would-be integrated policies have a gaping hole. In policy on social exclusion, for example, aspects of reproduction and training are addressed, but no strategy exists to provide jobs at the end. The conceptualisation of such initiatives thus stresses the causation “reproduction→production”, which is an important *moment* of poverty but, taken alone, returns the debate to the crude 1960s problematic of the “culture of poverty”. Thus, the introduction of social and cultural elements into the analysis of poverty ends up by being one-sided and the opposite of “joined-up”.

At a more abstract level, these failures are expressions of deep constraints on the integration of policy by capital states. States are limited in the extent to which they can act holistically, however rational this might be from the point of view of technical efficiency, since this would undermine the private appropriation of profit by effectively socialising it. The delegitimation by neoliberalism of economic transfers has deepened this fundamental feature of the bourgeois state.

Other instances of new urban socialisation along the same lines could be discussed—for example the reworking of socialisation in the family, local culture and local economic policy<sup>4</sup>—though space does not permit this here. We can draw out a number of general points from the four examples given.

- 1) Neoliberalism has opened up gaps in the effective organisation of production, reproduction and their interrelation. These have been addressed through forms of socialisation



that take old forms and rework them in new ways. Some of these forms have emerged only after substantial experience has shown the negative effects of neoliberalism. For example, both community reproduction and attempts at joined-up government have flowered in the 1990s, learning from the “mistakes” of the 1980s (Peck and Tickell this volume).

- 2) The neoliberal context of these forms of socialisation has served in most cases to prevent their politicisation. I have emphasised that a central aim of neoliberalism has been to overcome such politicisation. The new forms of urban socialisation have been developed under the sharp constraints of intensified global competition. This competition is simultaneously externally imposed (the competition of local units of production in the global arena intensified by liberalised trade and investment flows), politically constructed at the local scale (for example through throwing public services open to private operation), and ideologically underpinned (as in the discursive construction of the “competitive locality”). This competition then provides a constant discipline on all local actors, whether business, residents, workers or the state itself, which stifles excessive demands and open conflicts (cf similar processes at the national level discussed by Bonefeld, Brown and Burnham 1995). The articulation of socialisation with value discipline is achieved partly through relations between spatial scales: neoliberalism at the national and international scales provides a disciplinary framework that keeps in check the potential politicisation of new local socialisations, whether they be industrial clusters or community participation.
- 3) Urban socialisations, old and new, not only have been *compatible* with neoliberal discipline but have often *enhanced* it. Stronger integration within local clusters creates new, profitable paths for the investment of global money capital. The cooperative industrial relations fostered by local clusters, community businesses and centrist local economic policy as a whole can produce self-disciplined workers more effectively than crude authoritarianism. Community reproduction can create a real reserve army for the lower end of the labour market. Thus, while formally opposed to neoliberalism, socialisation can complement and reinforce it (cf Zuege 1999).
- 4) It follows that the class relations of current urban socialisations, for the most part, have no socialist dynamic. They are implemented only to the extent that they are compatible with (enhanced) accumulation in the locality. They tend to foster greater cooperation between workers and residents on the one hand and capital on the other; but this occurs on capital’s

terms and requires forbearance and self-limitation on the part of the working class. Moreover, these socialisations are often divisive. The strategy of local clusters privileges professional or skilled, mostly white and male, workers. Community initiatives foster postmodern social fragmentation. And, because all the new forms of socialisation are carried out under the rubric of competitiveness, they set localities against each other.

- 5) Despite the complementarities of neoliberalism and urban socialisations (points [2] and [3]), these socialisations are often *undermined* by neoliberalism. We saw this most sharply in the meagre outcomes of the attempts at joined-up government. We have also seen how neoliberal individualism disrupts attempts at collective engagement of both firms (the first issue discussed above) and populations (the third). Clusters can be destabilised by liberalised trade and enhanced mobility of productive and money capital. Thus, despite the substantial successes of recent urban socialisations, they are always threatened—and tendentially undermined—by neoliberal freedoms.
- 6) These contradictions mean that the articulation of value disciplines and socialisation can be developed in many different ways. Thus, in all of the areas of urban governance examined here, outcomes vary strongly between countries and localities. These are strongly path-dependent, resting on class relations and socialisation evolved over long historical periods.

### Theoretical and Political Conclusions

My account of the contemporary city has sought to emphasise the *contradictions* of class relations, of capital accumulation and of reproduction. The fundamental contradiction examined has been that of neoliberalism and socialisation, of regulation by value and by direct coordination. This contains within it a whole number of others: mobility and fixity, money and production, value and use value, discipline and cooperation, private responsibility and politicisation, and so on. These are contradictions rather than merely conflicts, in that the two elements both *undermine and* construct each other.

This theorisation may be contrasted with two major schools within radical urban studies. In the second section of the paper, I criticised institutionalist and regulationalist accounts of the origins of neoliberalism for overplaying the technical aspects of production processes and underplaying wider contradictions of capitalist reproduction. My account of contemporary urbanism suggests further, related problems with these approaches:

- 1) Associationalist writers using a broadly institutionalist approach (Amin, Cooke, Healey, Scott, Storper, Thrift and so

on) focus on negotiation and coordination between plural institutions of civil society, exemplified by the forms of socialisation which I considered in the fourth section of the paper, and argue that these can promote both greater productive efficiency and a more inclusive and democratic polity. An essentially harmonious balance is thus possible between nonmarket and “market” (capitalist) relations. However, the associationalists systematically downplay the impacts of neoliberalism and ignore its nature as a class strategy. They neglect the ways in which contemporary urban socialisations reproduce divisions by gender, “race” and skill, their spatially uneven development, and the ways in which they internalise class discipline (see the critique by Zuege 1999). The core problem is that myriad conflicts between socialisation and neoliberalism are denied.

- 2) I share with regulationist writers on cities (Goodwin, Jessop, Jones, McLeod, Peck, Tickell and so on) an interest in mapping out articulations of markets and capital mobility with territorial forms of regulation. However, regulation theorists (as distinct from those who use “regulation” as a loose concept) are concerned with looking for regimes of accumulation and modes of regulation that can underpin stable and relatively conflict-free accumulation for long periods. Periods such as the present are understood as emergent regimes or as transitions from one such regime to another (Jessop this volume). In contrast, my account seeks to highlight the playing out of the abstract contradictions of capitalism in each period, including periods of *strong* accumulation. While consideration of such contradictions can be found in regulationist writing, it is generally subordinated to description of emerging patterns of regulation and specification of their functionality to accumulation (Gough 1996). Consequently, regulationists understand path dependency as inertia in *transitions between* determinate regimes, whereas in my account it is seen as the durability of class relations embodied in institutions, distributions of resources and consciousness. Politically, my focus on contradictions avoids the search pursued by many regulationists for a better capitalism (eg Lipietz 1992) and foregrounds the possibilities for working-class struggle outside of social-democratic (self-) limitations.

The associationalists are certainly right to highlight the important forms of socialisation within the contemporary city; much Left writing on cities neglects these in order to focus on clear examples of neoliberal coercion, fragmentation and austerity. However, we have seen

that contemporary urban socialisations are deeply marked by neoliberalism. Can this be overcome? Despite their neoliberal cooption, these forms of socialisation have tropes that are attractive to socialists: nonmarket relations, cooperation in production, skill and innovation, community, pluralism. We need strategies that, often, *begin from* these forms of socialisation but then take them in directions that challenge class, patriarchal and racist power.

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### Endnotes

<sup>1</sup> What is the relation of “socialisation” to the notions of “regulation” and “governance”? Socialisation includes relations that are not usually included in the latter, such as community, neighbourhood and family ties and the moment of cooperation between workers and employers. On the other hand, regulation (though not governance) can denote regulation by markets, which I exclude from socialisation. Most importantly, socialisation is conceived as being in a *contradictory* relationship with private decision-making.

<sup>2</sup> For example, Allen, Massey and Cochrane (1997) conceive Thatcherism as an exacerbation of market anarchy, but neglect its central aim of disciplining labour and individual capitals. Surprisingly, Harvey’s (2000:61–63) account of the principal origins of neoliberal globalisation omits any mention of its class-disciplinary intent.

<sup>3</sup> My assumption is that in capitalist societies gender and “racial” oppression are strongly internally related to the fundamental structures of capitalism through both production and reproduction spheres, though not reducible to them.

<sup>4</sup> Eisenschitz and Gough (1993) have argued that the majority of local economic initiatives are not formally neoliberal but develop mild, pragmatic forms of socialisation in varied fields through coordination between diverse social actors. This socialisation has developed under the spur of neoliberal competition and seeks to fill gaps created by neoliberal destruction. The politicisation to which this might lead has mostly been contained, because the competitive pressures on the locality incline all actors to moderate their demands, mobilising a localist loyalty. These initiatives thus realise key neoliberal aims: they sharpen the competition of localities against others, and the aspirations of labour tend to be subordinated to the profitability of local capital (Gough and Eisenschitz 1996). However, neoliberal individualism of firms and spatial mobility of capital and commodities can weaken such local initiatives (Eisenschitz and Gough 1996).

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