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THE NEO-LIBERAL CITY AS IDEA AND REALITY

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Introduction

Housing prices in real terms keep rising in major US cities. This is in part because housing construction is increasingly regulated in the high-income American metropolitan areas (Gyourko, Saiz and Summers, 2008). Higher housing values also reflect the capitalization of amenities that are generated by increasing public investments in the urban environment, such as transit, public space, culture and leisure facilities, and improved environmental quality and safer streets, as documented by an extensive empirical literature¹ (Cheshire, Nathan and Overman, 2013).

These facts – and others that I will consider later in this article -- do not sit comfortably with an academic literature that claims that cities have become more “neo-liberal.” According to this literature, cities and regions suffer from widespread abandonment of classical forms of state intervention – as a developer and regulator – in favor of weaker state or public sector involvement in them, extensive

privatization, and imposition of a pervasive “market mentality” (Brenner and Theodore, 2002; Brenner, Peck and Theodore, 2010; Theodore, Peck and Brenner, 2011; Jessop, 2002; Peck, 2012; Theodore and Peck, 2011; Tasan-Kok and Baeten, 2012).

For some analysts, the withdrawal of the state is said to combine with policies that are less equity-oriented and more tolerant of inequality, as well as a management style that apes the market through various types of entrepreneurial or competitive policy forms (Harvey, 2005). This same literature makes the somewhat contradictory claim that urban and public management has become more important due to a “re-scaling” of the state downward (i.e. devolution), to cities and regions, apparently making room for the weakening of classical organized welfare or *dirigiste* social and economic management. But in turn, these local states (cities) then act like market-playing entrepreneurs (Brenner and Theodore, 2002).

In this paper I argue that evidence does not support a claim of blanket withdrawal of the public sector from cities, de-regulation of city life, reduction of urban public goods, or decline in the role of inter-regional transfers in shaping regional development. Indeed, on balance the evidence suggests a steady increase in public sector investments, public goods and regulation in urban and regional affairs, and this is a worldwide phenomenon. For example, regional development funds (“Cohesion funds”) provided publically to lagging regions amount to as much as 5% of the GDP of poorer European Union member states. In the United States, federal transfers between states are as much as 30% of the discretionary (non-retirement or

health care) of the federal budget, and much more if health care and retirement are included; such figures are considerably higher for France (Davèzies, 2008).

As noted, some of the neo-liberalism literature argues that instead of a massive withdrawal of the state or de-regulation of urban life (or societal management in general), some of the techniques of public management, service provision, urban anti-poverty programs, and many other policy domains involve techniques and program design that are different from those we associate with late-19th to mid-20th century welfare and regulatory states. I shall agree with this claim but argue that the neo-liberalism is indiscriminate in labeling many of these changes neo-liberal. A closely allied claim of some of the neo-liberalism literature is that neo-liberalist forces, rather than abandoning state power, have hijacked it for the purposes of advancing an agenda that mixes laissez-faire ideologies, cronyism and oligarchy in an opportunistic manner (Mirowski, 2013).

I shall agree with the latter claim, up to a point, but disagree with the use of the term “neo-liberal” to understand that agenda. This is because the neo-liberalism literature mis-uses the label “neo-liberal.” By failing to master theories of liberalism, much of the neo-liberalism literature attributes virtually all de-regulation, laissez-faire, tolerance of inequality, cronyism, and oligarchic behavior as outgrowths of liberalism itself, or as Ferguson (2010: 171) puts it, “.... a sloppy synonym for capitalism itself, or as a kind of shorthand for the world economy and its inequalities.” This failure leads the critical neo-liberalism literature to make pervasive errors in evaluating and labeling real world public policies, but also – and perhaps more

importantly – in locating their causes, and gives it an ominous anti-capitalist drumbeat.

Beyond specific policies, the critical neo-liberalism literature sees neo-liberalism as a broad socio-political-cultural process of socialization, much in the way formulated by Polanyi (1944). This process view explores “neoliberal governmentality” underpinned by the making of neo-liberal subjects. Thus,

...(a)nother, more interesting usage sees ‘neoliberalism’ as the name of a broad, global cultural formation characteristic of a new era of ‘millennial capitalism’ – a kind of global meta-culture, characteristic of our newly de-regulated, insecure and speculative times (Comaroff and Comaroff, 2000). And finally, ‘neoliberalism’ can be indexed to a sort of ‘rationality’ in the Foucauldian sense, linked less to economic dogmas or class projects than to specific mechanisms of government, and recognizable modes of creating subjects.” (Ferguson, 2010: 171).

The culture of millennial capitalism has certainly generated a wide variety of new social practices, beliefs and subjectivities (Comaroff and Comaroff, 2000). But the neo-liberalism literature assesses these in a flawed manner, mixing valuable insights with significant over-reach and simplification of the sources of changes in social practices and the nature of those practices.

Overall, this paper agrees with Brenner, Peck and Theodore (2010:183), when they argue that “‘neoliberalism’ has become something of a rascal concept – promiscuously pervasive, yet inconsistently defined, empirically imprecise and

frequently contested” (cf. Mudge, 2008). I shall therefore work in the spirit of Venugopal (2015: 15), who argues that

...even if neoliberalism were such an extraordinarily tangled and messy phenomenon that has myriad, contradictory forms, there must nevertheless be some minimal set of defining common characteristics that would warrant preserving it. Much of what is explained – and hence left under-explained – as neoliberal can benefit, if it were simply to be disconnected from this universalizing framework and if neoliberalism were to be reconceptualized down in a sharper and unambiguous way to one of its constituent forms.

Once we have done this archeology of the de-regulationist version of liberalism and the governmentality version, we will then, in the final section of this article, illustrate how these mis-labels and over-reaches are projected into the literature’s representations of supposedly neo-liberal policies and practices in cities.

What is neo-liberalism in political-economics ?

One of the two core constituent forms of so-called neoliberalism is economics and the political or policy extensions of economics. To begin the task of defining the economics of neo-liberalism in a tractable way, it must be seen in relation to its forebear, liberalism.² Liberal economics forms a sub-set of a wider field of liberal social thought and political theory. Liberalism developed in response to royalist, traditionalist and divine conceptions of social order. It provides a rationale for

limited states, whose legitimacy comes from free citizens in self-governed democracies, rather than subjects governed by royalty or clergy. The core of liberal thought in the classical writings of John Stuart Mill is restraint on organized state power in favor of creating a large sphere of individual autonomy and liberty to act without approval from a supreme authority. This notion is “liberal” in the sense that there is presumption in favor of the freedom of the individual unless there is a specific and justifiable reason for limiting this freedom (Mill, 1864; Fawcett, 2014).

Liberal thought has economic elements (markets and exchange), political elements (rule-bound, chartered states) and sociological elements (the merchant and productive classes, “free labor,” entrepreneurial individuals, de-traditionalized ways of life, mobility). In the course of the Enlightenment and then the Industrial Revolution, liberals began to develop what would become the theoretical apparatus of modern economics. They considered how complex and decentralized economic systems – firms, production chains, far-flung markets – could be coordinated. Adam Smith (1776) famously replied with his “invisible hand” theory, which holds that decentralized institutions (such as markets) are adept at revealing and processing information about preferences and hence at establishing prices that allocate goods and services in the right proportions. Smith aggregates upward, as an individualist and utilitarian, arguing that self-interested action can lead to highly-organized and collectively desirable outcomes.

The invisible hand theory is widely caricatured in contemporary writings on neo-liberalism. Smith had generally negative views not only about state monopoly or planning, but also about private monopoly and concentration of power. In the

Theory of Moral Sentiments (1759), he railed against “the wretched spirit of monopoly.” Smith was hostile to “greedy merchants” because they violated the central principle of the invisible hand as a fair game, where specialists trade their skills in a division of labor, for mutual benefit of both parties to the trade. He was systematic in his criticism of special interests and privileges, and he pointed out, centuries before Mancur Olson (1965) that organized state power is frequently hijacked by private actors to limit competition and distort markets for their benefit. He presaged the modern justification of liberal economics for public policy to insure that markets remain competitive, not rigged for monopolists or for the rich and powerful (Phillipson, 2010).

Liberalism has widely varying positions on precisely where the border between markets and states should lie. Progressive liberal economists carve out a wide sweep of action for the state by virtue of an expansive technical and empirical definition of market failures (Stiglitz, 2009). Other versions of modern liberalism place the cursor in the middle (Tirole and Laffont, 1993) and still others find that market failures are less abundant (“freshwater” or Chicago economics) (Ebenstein, 2015).

Underpinning these differences are technical debates in economics over precisely how much, and in what areas, markets tend to fail. These debates concern the nature and scope of externalities, free rider effects and moral hazards in firms and markets; whether market transaction costs are so high as to stifle production and exchange; and whether market fragmentation is a good rival to centralized state or monopoly provision. Thus, liberals do not have a monolithic vision of the role of the

state, large corporations, “the capitalist class,” or any of a host of other important dimensions of modern capitalism. Liberals do not have an automatic preference in favor of, or against, state action. They take each instance of market function empirically, and are open to regulation, incentives and public/state provision on a case-by-case basis, often making strong cases in favor of public regulation (Tirole and Laffont, 1993). We might say that liberalism has a rebuttable presumption in favor of limited states, but that liberal theory itself develops the theories and empirical tools to rebut the presumption.

A principal concern of liberalism is distribution or equity. Even when private markets maximize aggregate economic output or growth, they are likely to have unequal income and wealth creation effects, which change in direction and magnitude over time. Liberal economists are concerned to distinguish the inequality that comes from properly functioning markets (reflecting changes in the relative prices of different kinds of labor) from inequality generated by powerful interests who take more than their proper share (“rent earners”) (Autor, 2014; Atkinson, 2015). Liberal sociologists argue that while some forms of inequality may maximize economic output, they may nonetheless be corrosive of social cooperation, individual mobility, and human character, thus cancelling out in the long-run the short-run benefits of economic efficiency (Wilkinson and Pickett, 2009). Contemporary liberal analytical philosophers – especially Rawls, Dworkin and Sen -- explore the normative dimensions of navigating these complex trade-offs (Sen, 2009). They propose a wide variety of models of social justice that can inform liberal policy choices.

In contrast to this textured nature of liberalism, a good deal of the critical neo-

liberalism literature displays an *a priori* preference for statist or collectivist society, and tends to caricature market economies and limited states as inherently oppressive and inequalitarian (Harvey, 2005; 2014; Leitner et al, 2007; Peck 2010; Mirowski, 2013). They caricature liberal economics or, as it has been stated in respect to the neoliberalism literature: "...there is something very inadequate about the way that mainstream economics is understood, theorized, critiqued, and represented outside that realm (Venogupal, 2015: 18).

Let's consider an example of this in an area that figures prominently in the neo-liberalism literature: privatization of public services. As Ferguson (2010: 172) states this:

Neoliberalism.....puts governmental mechanisms developed in the private sphere to work within the state itself, so that even core functions of the state are either subcontracted out to private providers, or run (as the saying has it) 'like a business.'

Along these lines, a standard economic analysis might conclude that privatizing garbage collection is preferable to public provision. Many cities privatize their garbage collection so that they can gain access to economies of scale (a large private company that serves many cities can offer greater efficiency than the scale at which many cities can self-provide). In this case, liberal economics favors privatization because it makes garbage collection cheaper to the inhabitants of the city in question, in a pragmatic rather than ideologically-constructed policy change. Privatization might also improve service quality if a firm specializing in urban services can do better than a public administration that has many and varied tasks. But such a

change will alter the level of public employment, and this side effect is taken in neo-liberalism literature to be an indicator of hostility to states and evidence of the deployment of neoliberal reason.

In reality, there can be uses and mis-uses of the border between states and markets (in both directions, too much state and too much privatization, as we will discuss below). There is no reason *in principle*, however, to consider all such policy changes as evidence of a putative neoliberal hostility to states. Seen in this light, the neoliberalism literature deploys the notion of “neo-liberal” as “a contextual wallpaper, for example in relationship to the ‘neoliberal age’ or ‘paradigm’ rather than as an analytical work-horse” (Venogupal, 2015:5)

Neo-liberalism is not “neo-liberal:” the confusion in historical accounts of neo-liberalism

In the first half of the twentieth century, there was a movement whose participants labelled themselves “neoliberal.” The project of these self-described neo-liberals was to *revive liberalism* in the face of totalitarianism and authoritarianism. A second period ensued, emanating mostly from the USA, from the late 1960s onward. The participants in this movement *did not* (and *still* do not) label themselves “neo-liberal;” this is an attribution is given to them exclusively by scholars who are critical of markets, de-regulation, and capitalism in general (Fawcett, 2014; Turner, 2008). Hence, I shall now argue that much of the critical neoliberalism literature has

therefore erred in arguing for continuity and substantive similarity between the self-described neo-liberalism of the 1920s-1940s, and the recent thought it insists on labelling “neo-liberalism.” Once we see this, we can properly isolate what the neo-liberalism literature seems to be after, and provide it an appropriate label.

From the 1920s through the 1940s, the Austrian liberals – Popper, Mises, Hayek and Schumpeter – reacted to the specific context of Europe in the 20th century. For these thinkers, the 18th and 19th centuries saw the expansion of liberalism, albeit with fits and starts. But the early 20th century in Europe seemed to be one where the forward march of liberalism had been reversed. This reversal began with totalitarianism (Soviet) and authoritarianism (fascist and Nazi). It continued, as the Great Depression worked its damage across Europe in the societies that had been mostly spared totalitarianism and authoritarianism, but which responded to the Depression with *dirigiste* economics. The Austrian School saw the new “planned economy” (or any form of strong *dirigisme*) as encouraging authoritarianism through the back door.

The founding public moment for this project of reviving liberalism was the Colloque Walter Lippmann in Paris in 1938, organized by the French philosopher Louis Rougier to consider the implications of Lippmann’s book, *The Good Society* (1937). Neo-liberalism as a term, coined by a seminar participant (Alexander Rüstow) was chosen to underscore the intent to *reinvigorate* the liberalism that the attendees saw as being under attack by collectivist policies, whether of the Right or Left. The initial phase of discussion led to the founding of the Mont Pelèrin Society in 1947. The neo-liberalism of the colloquium – inspired by Lippmann – targeted

turning away from strict 19th century (so-called “Victorian”) *laissez-faire* toward German-style ordo-liberal economics, a form of social market economy under the aegis of a strong state.

John Maynard Keynes, from 1936 onward, developed the macro-economics of neoliberalism, arguing for a strong role for the state, while rejecting detailed indicative state planning (i.e. *dirigisme*) of the French kind (Cohen, 1979). Hayek and Mises were inspired by Frank Knight’s (1921) theories of information. According to this theory, centralized bureaucracies can only manage statistically predictable risk situations, whereas markets can process true forward uncertainty, as in the case of innovation. Planning is therefore good for some basic tasks of economic management, such as building big infrastructures, but is inferior to markets in seeing the future.

The young Milton Friedman struck a more balanced tone, in the technical language of modern economics. His 1951 article, “Neoliberalism and its Prospects,” criticized 19th century Victorian *laissez-faire* doctrines as not having sufficient concern about the emergence of concentrated economic power and inequality. Friedman argued that the solution was neither the 20th century forms of economic *dirigisme* that had emerged from the 1930s onward, nor *laissez-faire*. He wrote that neoliberalism “must explicitly recognize that there are important positive functions that must be performed by the state.” Thus,

“...the government would have the function of relieving misery and distress.

There is justification for subsidizing people because they are poor, whether they are farmers or city-dwellers, young or old.” (1951:90)

Friedman's other main role for the state is to encourage competition and the use of the price system, and especially to prevent monopolists, rent-seekers and bureaucrats from obviating its functions. Hayek also reserved an important role for the state in regulating markets and insuring provision of public goods. *The Road to Serfdom* (1944) advocated universal minimum levels of food, shelter, clothing and other basic needs (Ebenstein, 2003). Moreover, Hayek (1944) deplored the use of market ideas by social conservatives, writing that they were "paternalistic, nationalistic and power-adoring....traditionalistic, anti-intellectual and mystical" (Easterly, 2014: 23). Hayek was a cosmopolitan modernist,³ who believed that informed autonomous citizens deserved more freedom than would be reserved for them under a strongly bureaucratic state, even when it was well intentioned and "protective," such as in European welfare states.

What the critical neo-liberalism literature calls "neo-liberalism" emanated from Chicago, Virginia, and Rochester, beginning in the 1950s. Stedman-Jones (2012) shows how this "transatlantic neoliberalism" became "divorced from its complicated and varied origins," notably the concerns for the border between state and market and the benefits of social market economies. Instead, it takes a decidedly backward turn toward 19th century laissez-faire, but with much better analytical tools. The seed for this was sown in Ronald Coase's (1937) paper on the theory of the firm, but it lay on fallow ground until the 1950s. Coase did something quite paradoxical; in the guise of a paper that provided a rationale for large firms ("hierarchies," or bureaucracies), he extended the justification for *spot markets* as the default position for economic organization. Everything other than the market, whether states or large

firms, henceforth had to be justified as a case of being more efficient than the market (usually because some bureaucracy would allow lower transaction costs or reduce moral hazards in coordinating complex production systems).

By the late 1950s, Chicago economists such as George Stigler, Aaron Director, and Gary Becker took up where Coase left off, pushing free market analytical models into areas such as macroeconomics, industrial organization, information theory and consumer choice. In Virginia, James Buchanan and Gordon Tullock (1962) extended these insights into models of government, deftly labeling them “public choice.” Public choice theory, in this sense, took on issues of governability that had been raised by liberal theory. Liberal economists, such as Lionel Robbins (1938) and Kenneth Arrow (1951), showed that we do not have institutions to reach widespread consensus (“social choice”) in diverse individualistic and free societies, most famously in Arrow’s theory of the “impossibility” for electoral democracy to do this (in a modern update of Condorcet).⁴ Arrow – prefiguring Amartya Sen -- believed that the solution was messy interactions involving decentralized states, civil society, and competitive markets, with a strong role for public debate. Buchanan and Tullock took a different tack, calling for states to be down-sized and to function internally like markets, offering competing and differentiated products to the citizenry, especially in the area of public goods. This now starts to resemble something like what authors such as Mirowski (2013) identify as “neo-liberalism.”

By the early 1970s, these Americans had indeed shed many of the Smithian concerns of the Mont Pelèrin group, concerning the risks of concentrated private power, market failures and inequality (Mirowski and Plehwe, 2009; Stedman-Jones,

2012). The stagflation crisis of the 1970s created receptive audiences for monetarist macroeconomic models developed in Chicago to counter Keynesianism, which were then used more broadly to defend down-sizing of the public sector. Along these lines, Ebenstein (2015) documents the ways that Hayek and Friedman became libertarian, writing that “the virtual neoanarchism that both preached” later on placed them “*outside the classical liberal tradition*” (italics added), adding that “classical liberalism is not libertarian. “

The stage was set, in this way, for the emergence of a third, more political, phase. Ronald Reagan and Margaret Thatcher declared themselves in favor of competition in a liberal way (read: labor unions; crony corporations; entrenched bureaucrats), like the Milton Friedman of 1951. But in practice, they supported different types of new organized interests, mostly private and increasingly plutocratic. They opened up a chasm between the *self-described* neo-liberalism of Mont Pelèrin and its acolytes and themselves, by lending their brand to a neo-Victorian *laissez-faire* hostility to the state (“public choice theory” and “Chicagonomics”). This was then used to move the cursor on applied work on deregulation; while left-Liberal economists in the 1970s and 1980s saw expanded possibilities for de-regulation as an extension of their long-term concern (dating back to Adam Smith) with monopoly and corporate power, the Chicago-Virginia-Rochester axis rejected even mild market failure models, which were tagged by the Reagan-Thatcherites as mere Left-wing bias against markets.⁵

A third dimension of this late 20th-century movement was its opportunistic syncretism of extreme *laissez-faire* in certain domains, with de facto support for rent-

seeking monopolies, cronyism, and elite corporatism in other areas (Crouch, 2011). A closely linked fourth dimension – especially in the USA – consisted of an increasing tolerance for the influence of corporate and private funding of public policy decision-making and political campaigns. This latter feature was justified by the claim that since interest groups have become so much more numerous and competitive, electoral democracy itself should be a mirror of that rough-and-tumble competition, with any means possible. In contrast, one of the central concerns of the Austrian liberals was limiting concentrated political power because of its inherent tendency to potentiate cronyism, corruption and oligarchy in policies.

Finally, again in the USA, new right-wing think tanks were more and more comfortable with marriages of convenience to neo-conservative social policies, arguing that social order and integration should come exclusively from individual responsibility, family or religion. The American right-wing has since then mostly argued (with little convincing evidence) that public goods and income supports encourage irresponsibility and hence backfire (Murray, 1984). The American libertarians -- in their discourse of return to family and community -- thus flirt with aspects of anti-modernism that resemble those of the contemporary European right-wing, and which were abhorrent to the resolute modernist sociology of Hayek, Mises, Schumpeter and Lippman. This is very different from European social market liberalism, as in its Scandinavian versions, where social integration is believed to be strengthened through state regulation, widely-shared public goods, and income supports.

Allied to the preceding point, these contemporary oligarchic-libertarians have attempted to minimize the importance of growing inequality in income distribution or wealth, arguing that it comes from efficient markets and has benefits for economic growth and social mobility. The Institute of Economic Affairs and the American Enterprise Institute, the Cato Institute, among others, became proponents of the idea that social and economic inequalities are necessary to economic dynamism. This contrasts to liberalism and neo-liberalism (as in Friedman, 1951), and liberal analytical philosophy has the most active conceptual debates about inequality from Rawls, to Dworkin to Amartya Sen (Sen, 2009; Dworkin, 2000). Scholars of neo-liberalism such as Mirowski (2013) devote considerable attention to documenting the use of state authority to enforce these plutocratic and cronyist policies.

But this is also where the historiographical error of the critical neo-liberalism literature can be pinpointed. It claims that there are many threads of neo-liberalism and many versions of it, but then it concludes that they all lead to the same place and are of a piece, which they call “neo-liberalism.” But as we have seen, “Reagan + Thatcher + American libertarianism + the Chicago-Virginia-Rochester axis” are neither essentially liberal *nor neo-liberal* in the sense of the Mont Pelèrin group or its post-war acolytes. It follows that there is a basic error of historiography contained in the use of the moniker “neo-liberalism” to cover everything from Mont Pelèrin through this oligarchic, plutocratic power combined with Victorian *laissez faire*.

The stakes in this issue of history and labels are high. Using the term “neo-liberal” to refer to everything from Mont Pelèrin to today’s radical *laissez-faire*-public choice-crony-plutocratic doctrines makes the term so polysemic that it

obscures the fundamental differences in theory and policy these two types of thought defend. It facilitates an indiscriminate critique of capitalism, and represents liberalism as somehow inherently hostile to states, to public goods, to regulation, and to social and economic equality and opportunity and in favor of plutocratic power and cronyism. In some cases this may be due to the outright Marxist commitments of many authors in the critical neo-liberalism literature, for whom these distinctions seem to be invidious (e.g. Harvey, 2005, 2014; Leitner et al, 2007). In other cases, it may be due to failure to master basic economic concepts:

Neoliberalism purports to provide a lens through which this mysterious and hostile terrain (i.e. economics) can be surveyed, simplified, labeled and rendered understandable from a safe distance. Economic theory can thus be vicariously critiqued and dismissed without one having to encounter it, much less understand it" (Venogupal, 2015: 16).

Concretely, in order to establish that we live in a world shaped by the imposition of market-forcing policies for reasons that are principally ideological and not pragmatic or utilitarian, the critical neoliberalism literature would need to deploy liberal analytical economics in two ways. First, it would need to show that such measures are unjustified in terms of the utilitarian efficiency border of states versus markets that is defined by liberal economics. They would need to demonstrate that these measures are principally imposed to create rigged markets and rent-earning opportunities (i.e. market distortion through monopoly). Secondly, they would have to consider the distributional (inequality or income) effects of measures that *are*

justified by the state-market border in efficiency terms, but where such efficiency gains are somehow outweighed by the negative consequences of the distributional effects (as in the ways suggested by Wilkinson and Pickett, 2009; Frank, 2011).

Alternatively, they would have to show intentionality, i.e. that such policies really are designed and intended to enhance the effects they demonstrate and are not unintended effects of a complex and pragmatic political process.

Neoliberalization as a process: governmentality

In 1983, toward the end of his life, Michel Foucault gave a course at the Collège de France on “the government of oneself and others” (*le gouvernement de soi et les autres*) (Foucault, Fontana and Gros, 2001).⁶ In doing so, he stated that he would rely on three main domains of inquiry: knowledge, power and the making of the subject (*la connaissance, le pouvoir, et la subjectivation*).⁷

Foucault is the oft-stated inspiration for one of the principal themes of the critical neoliberalism literature. Its argument is that neo-liberalism is much more than economic policy; it is also composed of many Foucauldian *dispositifs*.⁸ In this view, neoliberalization is a process of transforming society and its subjects, notably by deploying practices that make more and more of us come to have a market-based or neo-liberal subjectivity. Any process of neo-liberalization is thus much more than policy measures. It would consist of defining the kinds of know-how or “techniques” of society to which individuals have access (i.e. neo-liberal in nature). These techniques and analytical frameworks are deployed through many concrete

practices, such that neo-liberalism becomes a normative framework for people, a way that they make choices and justify them. Thus, subjectivity is the vehicle for neo-liberal power (Protevi, 2009). Stated more conventionally, this would be the political sociology of a neo-liberal world:

.....new constructions of 'active' and 'responsible' citizens and communities are deployed to produce governmental results that do not depend on direct state intervention. The 'responsibilized' citizen comes to operate as a miniature firm, responding to incentives, rationally assessing risks, and prudently choosing from among different courses of action. (Ferguson, 2010: 172).

The idea that types of actors and subjectivities evolve and are produced in relation to social systems is nothing new in sociology, in domains ranging from love to child rearing to economics. In economic sociology, Max Weber (1922) thoroughly evaluated the advent of the bureaucratic, rational actor (and role playing) in relation to modern economic activity. Polanyi (1944) of course, worked at the aggregate level in speaking of great transformations of the mentalities and rationalities that he claimed underlay capitalism; as an anti-liberal, Polanyi opposed Hayek, Schumpeter and Smith, emphasizing the corrosive and anomie-producing character of market societies and their internalized subjectivities. Though he fashioned himself a progressive, his critique closely echoes those of the classical 19th century anti-Enlightenment conservatives such as Burke, Herder and de Maistre. Hayek's famous polemic about the road to serfdom was also about subjectivation and social practices;

for him, ideal free individual of liberalism would be subjected not to a reassertion of aristocratic privilege, nor the church, but to the diffuse power of many masters in the state bureaucracies, whether totalitarian, authoritarian or dirigiste. Joseph Schumpeter, another self-labeled neo-liberal, added a critique of the “society forming” aspect of the new collectivism. Schumpeter (1942) saw capitalism as a dynamic system of “creative destruction,” which required a certain type of person, the dynamic entrepreneur, to drive economic growth. He worried about the stifling of entrepreneurs by bureaucrats.

Foucault’s approach could have been quite helpful to Max Weber, Polanyi, Hayek or Schumpeter, giving them more sophisticated and detailed ways of thinking about this socialization process. The genius of Foucault was to avoid the crudeness of Gramscian notions of “hegemony.” Gramsci (and most of his Marxist forebears) never succeeded in showing why people might think like they do, except to see them as dupes. Foucault shows how the “*histoire des mentalités et des représentations*” (history of ideas and representations of reality) must be constructed from *small* practices. Subjects are made through these practices and they become identified with them normatively.

I now want to explore this issue in more detail, to demonstrate that the neo-liberalist view of such *dispositifs* (although with corrected labeling) is more valid for big political-economic policies (macro-economic policy, financial liberalization, labor market rules) than for the small practices and tissue of millennial daily life and governmentality. These latter practices have a much more complex generative process, and in many ways they do not stem from neo-liberal reason.

It will be helpful to start with Foucault himself, who had an ambivalent relationship to classical liberalism. He was said to be a close reader of Adam Smith and David Hume, picking up on Smith's point about how a decentralized system of "sentiments" entailed the weakening of centralized state bureaucracies and their *dispositifs* of social control (Protevi, 2009). He was also said to have disliked the modern calculating individual, especially with regard to finance. This has led to a widespread ongoing debate in France about whether Foucault was a liberal or even a libertarian or more of a typical Left Bank statist intellectual of his time. He was very critical of the heavy forms of state *dirigisme* of social practices in France from the Third Empire all the way to post-Gaullist welfare statism – the Benthamite, panoptical, super-organized, top-to-bottom, cradle-to-grave, normative French state, protecting its population in the name of the paternalistic Republic. His work on prisoners' rights broke with the administrative welfare state. It was a principal starting point for what is called the "libertarian left" in France today, represented by the daily newspaper *Libération*. Foucault was anything but nostalgic for what he saw was in some ways the stifling world of post-war organized welfare states, with their heteronormative class ideology and justification of widespread systems of social control (such as schools, the army, hospitals and mental hospitals and prisons) in the name of their paternalistic version of the common good. Movements for women's rights, LGBT rights, anti-colonialism, the environment, anti-racism, and many other such movements were part of the Foucauldian notion of the resistance to submission in the name of social cohesion.

But nor was Foucault unconcerned about market-based coercion nor did he

deny that the market could be used as an instrument of elite power. He said clearly that Reagan-Thatcher were using state power to re-impose the rule of the market on recalcitrant populations. Along these lines, let's think about several examples of the *dispositifs* of this millennial mix of laissez-faire, plutocracy, authority, and – sometimes social conservatism that is rightly abhorred by many critics.

The recent film *The Big Short* shows the world of Wall Street traders, with their cut-throat “killer” subjectivity. The values of financial speculation, financial deregulation, and corporatist rent-earning from the rest of the economy are emblematic of a set of representations that fit the mold of the Victorian laissez-faire world we referred to earlier (but which, we insist, is not appropriately labeled liberal or neo-liberal). Large corporations often unashamedly game legal systems -- offshoring their headquarters, using regulatory arbitrage for their investments across different political jurisdictions, and developing obscure contracting procedures with consumers. These practices are the combinations of know-how, representations, behaviors and subjectivities or justifications that make up a *dispositif*. This also supports Mirowski's (2013) argument that many of these interests use state authority rather than try to weaken states.

A second millennial *dispositif*, in the American context, consists of the enormous growth of the “donor class.” Using the wealth they concentrate from the new inequality, they shape elections, academic research and community action (through the shadow state of its foundations), to art museums and concert halls (with their donor plaques). Its subjectivation process revolves around an elaborate “court society.” The courtesans are in politics, academia and local communities, and the

intendance is assured by the professional operatives who bestow favors on them from the donor aristocracy, giving these favor-definers and bestowers privileged reflected glory positions (Elias, 1985).

A third kind of new *dispositif* is the rise of a geeky “start up,” “venture capital” world. Its practices (now the subject of pop culture and television series) might be considered, with Foucault’s eye, to involve new forms of subjectivation and governmentality. The social and political anthropology (or even archaeology) of the world as reshaped by Silicon Valley subjectivities and practices is just now beginning to be written (Turner, 2006).

Finally, social policy has also produced many recent Foucauldian offspring. Michelle Alexander’s (2010) analysis of *The New Jim Crow* shows how segregationist policies in the USA moved out of the domain of explicit apartheid and absorbed the techniques of Foucault’s prisons, police, hospitals, and tax bureaucracies to control and discipline and segregate the bodies of black people. These are linked to a matrix of social representations about law-and-order rather than race, and representations of fear of crime rather than (supposedly) fear of blackness. The enforcement of these new forms of governmentality involves intricate forms of new technical, legal and policing skills that create knowledge and shape the behavior of both dominators and dominated.

Things get more complicated, however, when we stray from these obvious (and almost caricatural) examples, into the variegated texture of many other “small” economic practices in the post-1980s era. This is the supposedly neoliberal micro-physics of power and subjectivity. The first observation is the extremely large range

of such practices that have been labelled “neo-liberal.” According to Clarke (2008: 135):

I encountered the following list of sites, institutions, processes, and practices that were identified as neo-liberal (and I do not think the list is exhaustive): states, spaces, logics, techniques, technologies, discourses, discursive framework, ideologies, ways of thinking, projects, agendas, programs, governmentality, measures, regimes, development, ethnodevelopment, development imaginaries, global forms of control, social policies, multiculturalism, audit cultures, managerialism, restructuring, reform, privatization, regulatory frameworks, governance, good governance, NGOs, third sector, subjects, subjectivities, individualization, professionalization, normalization, market logics, market forms of calculation, the destatalization of government and the degovernmentalization of the state. That’s an impressive list....what is and what is not neo liberal ?

Mirowski (2013) argues that a wide variety of practices of daily life in the post-millennial age, especially personal adaptation to more flexible labor markets (the “gig” and geek economy), the use of Facebook and other social networks, and other forms of contemporary networking, are part of the neo-liberal project, something like an update of Polanyi’s argument about market-oriented individual subjectivity. A rigorous use of Foucault’s method would be to evaluate each such practice, one by one, close to the ground. First, Foucault would ask: is the practice part of a *dispositif*?

, by which we mean: does it form part of an ensemble involving knowledge, power and subjectivation? Secondly, it would ask: are such practices, by some evidence, neo-liberal in origin or effect, or do they stem from some other set of social pragmatics?

Brenner, Peck and Theodore (2010), offer the response that there is some kind of *overall* neo-liberal reference point that shapes all these practices, even when they see themselves as resistance, leading to a flexible sort of Gramscian hegemony:

For three decades now, neoliberalism has defined the broad trajectory of urban restructuring, never predetermining local outcomes on the ground as if some iron law, but nevertheless profoundly shaping the ideological and operational parameters of urbanization. This historical offensive has also reshaped the terrain confronted by resistance movements, meaning that alternatives to market fundamentalism are now refracted through a tendentially neoliberalized ideological and institutional landscape.

But this view of neo-liberalism as a hegemonic *dispositif* of millennial society is questionable. For example, one major millennial transformation is how new technologies disintermediate services from large organizations such as firms and states. Work is outsourced to juridically independent people, whether public or private. Uber is an iconic example of this. It is doubtful that Uber stems from neo-liberal ideology, but rather emerges as a pragmatic response to the possibilities of reducing transaction costs and increasing capital utilization that are offered by new technologies.

And yet, as an unintended consequence, Uber may be subsequently justified normatively in neo-liberal terms, and Uber drivers may have a certain kind of “risk – taking” subjectivity. Some of them might be victims of an economy in which all they wanted was a full-time job in a big corporation but could not find one, and hence find themselves at the mercy of Uber’s flex-work, in which case they do the job but don’t have the subjectivity. But perhaps some of them use Uber as an income supplement; or are students or stay-at-home-parents, combining flex-work with these other roles? Extending this, flex-time might also in part emerge from the choices of women who want to work part-time at home while blending roles of family and career; or from the emergence of many new service industries that are consumer-responsive; and from many other technological and life-style changes. Is “flex-time” a neo-liberalist anti-worker plot, or a leading edge of modern feminism (Leppel and Clain, 1993)?

At the same time, wage labor within organizations (whether the firm or the state) probably are subject to new forms of Foucauldian discipline, surveillance and punishment with the use of IT; the subjectivation of workers this way is not new, but the forms and methods certainly are with the advent of new technologies in the workplace. So, from a Foucauldian reading, it might be that the *dispositif* of full-time work is the new form of discipline and punish, while *flex-time* is the *dispositif* of new forms of liberated personal time, thus exactly reversing the typical neoliberalist interpretation. In addition to power, there is also pragmatism at work in the inventiveness mentioned above. The point is that many practices and public policies

are fashioned in a non-totalizing way, with unintended consequences and feedbacks that flow from complex pragmatism and changing possibility sets (Zittoun, 2013).

If we apply this kind of nuanced reasoning to the wide range of practices listed by Clarke, then many might be seen not as part of a neo-liberal assault, but could stem from its opposite, i.e. resistance, decentralization, and inventivity, along the lines of Foucault's committee for prisoner's rights or the many liberation movements since then, such as LGBT, community groups, environmentalists, and so on. Instead, the governmentality literature seems instead to display a nostalgic blanket rejection of many new practices. Foucault himself was not nostalgic for the "good old days" of post-war welfare statism, a Fordist economy, and the conservative sociological underside of French civic republicanism. He welcomed many of the libertarian Left's new practices.

Indeed, as Ferguson (2010) argues, the paradox is that the literature ends up missing the proliferation of new post-statist "arts of government" that are not neo-liberal. The rejectionist, nostalgic and Manichean tone is curiously at variance with a great deal of the social movements literature. All in all, the critical neoliberalism literature has done a poor job of surveying the new *dispositifs*, understanding their causes, and has badly over-reached in labeling them as "neo-liberal."

Actually existing neoliberal cities (or "plutocratic illiberal laissez-faire cities")

Deregulated laissez-faire cities are very hard to find in the real world. Laissez faire practices and policies (what are mistakenly labelled “neo-liberal”) have proliferated, but they are more likely to be found at the level of macro-economics, labor policy, and international economics than at the specific scale of urban management and policy. Cities and regions are extensively regulated, especially land use and housing, and they incorporate massive public goods. Moreover, in most countries, inter-regional transfers of income represent substantial proportions of state budgets, which are increasing in most countries.

Moreover, as in policymaking in general, much urban policy change is indeed less motivated by macro-ideology than by a complex pragmatics of dealing with an urban environment shaped by changing technologies, migration patterns, lifestyles, economic specialization, and economic development. If anything, urban residents around the world are more demanding of a regulated and ordered urban physical environment than they are in their general political preferences.

To begin to understand why cities have liberal economies, but are – as urban systems per se -- highly regulated, consider that they are dense congeries of individuals, households, groups, organizations, buildings, and infrastructures. The humans in cities have many kinds of activities -- productive, religious residential, military, symbolic, consumerist, leisure, and so on. But they cannot locate all of these activities (nor their material containers) on the head of a pin. So they must sort them out into different spaces.

Dense interactions create all sorts of conflicts and problems of organization. In the dense human, material, ideological, cultural and institutional crucible of the city,

politics is shaped by people and interest groups, which have a wide variety of interests and preferences (Storper, 2014). A short list of such groups would include corporations, NGOs, community groups, formal institutions, social movements, state officials, churches, gangs and mafias.

Land use regulation is the principal authority of city governments, and powerful landed interests spend a great deal of time and resources in trying to obtain advantage in it. At the same time, it is one of the domains in which they find themselves persistently most limited in their ability to achieve deregulation. Even in the most liberal of cultures, property owners are rarely in favor of de-regulation of land use, and renters and non-owning residents even less so. Indeed, the global trend is to add layers of regulatory considerations to land use changes, such as environmental effects, density limits, social composition criteria (mixity), traffic generation criteria, design standards, and so on (Hsieh and Moretti, 2015). Why is this the case? The obvious explanation is that land use is a concrete reality for the general public: they see what it does, and they can fairly easily visualize how their local environment is affected by land use rules. Small landowners have a very strong interest in how such rules will affect their property values. Combined with majority voting at the local scale, land use decisions are one of those rare instances in which concentrated economic power -- big landowners and developers -- find themselves systematically confronted by a highly mobilized public. The political apathy of national politics can be contrasted to the mobilization at the scale of neighborhoods. And everyone from average homeowners to renters to developers depends on urban public goods to maintain access to their land and maintain its value.

The dense organizational tissue of cities and its complex set of decision-making jurisdictions impede the fluid evolution of rules and regulations, and make de-regulation difficult. Indeed, clientelism, institutional and political exchange, are far more important than any kind of ideology in explaining most urban management (LeGalès, 2016).

The “principals” of urban public policy (variously, community groups, business groups, labor unions, neighborhood associations, homeowners, renters, etc), do evolve over time, through population change, economic change, lifestyle change, and changes in political norms and mobilization. There are also long-term changes in the background conditions for urban policies, from new technologies to lifestyle and family structure changes. Thus, to revisit our earlier example, with information technology, it is possible for a city to contract its garbage collection to a private firm (because the technology allows monitoring and control of the private actor in a way that was previously only possible within the public sector bureaucracy; thus, disintermediation). In turn, information technology’s reduction in transaction and monitoring costs allows the latent possibility for small cities to reap the benefits of economies of scale in large private sector firms that serve many cities, to become a real option. This is a liberal change in the world of public policy that can be independent of any so-called neo-liberal belief system or subjectivity.

In the context of a changing possibility set for urban public policy, equity and efficiency effects mix in complex and non-linear ways. For example, sometimes efficiency effects are in favor of private provision, but there are distributional effects that disfavor certain groups (e.g. privatizations that raise productivity and lower

consumer prices, but reduce the number of public sector workers). Other times efficiency is greater in public provision (such as natural monopolies in mass urban transit or hospital-based health care), and the distributional effects favor public sector workers over private workers and, sometimes, ratepayers or taxpayers. Sometimes there are negative effects to consumers from publically-chartered monopolies, but positive effects on protected categories of workers (e.g. taxis versus Uber). In other words, there are complex and highly varied relationships between efficiency, benefits to consumers/citizens, and benefits to public sector workers, that cannot be ranged neatly in boxes of neo-liberal or not.

Moreover, because cities at a given stage of economic and social development have very similar pragmatic policy challenges. There are four broad pragmatic influences on the provision of public goods: density, income level; divisions and borders; and distance. Here we encounter additional limitations to a purely constructivist or “governmentality” approach to land use regulation, public goods provision, and urban management.

First, certain kinds of public goods increase as a share of total consumption as density rises, because density is accompanied by increasing land prices and this causes, *caeteris paribus*, a reduction in housing size at a given level of real income. With smaller housing units, households turn to public parks and recreation facilities rather than their private yards, to public spaces for “hanging out” rather than extensive privatized spaces.

Second, public goods provision has a U-shaped relationship to real per capita income. At first, public goods rise with increasing per capita income because this

expanded private income -- combined with economies of scale in service provision -- lowers the opportunity cost tradeoff to private consumption. However, as incomes rise, households and individuals tend to switch back to private provision, because budget constraints diminish and preferences for privacy can be satisfied. At very low income levels, where needs are the highest, there is less capacity to provide such goods, and this distinguishes low-income cities from middle-to-high income ones.

Third, divisions of the population by ethnicity, social class, and territory affect the level of public goods. The more divided the society, the lower level of public goods provision at a given level of real per capita income. More ethnically homogeneous societies provide, on average, more public goods than divided ones, due to the role of social affinity in political decision-making; this can operate at a national scale across all the constituent jurisdictions, or it can operate at local or regional scale (Lindert, 2004). When a national territory has strong internal borders (due to transport costs or due to social-ethnic divisions), goods will be provided more locally, but sometimes at the price of foregoing economies of scale.

Finally, *effective distance* (i.e. borders and barriers) has a role in certain kinds of public goods provision. In highly divided national territories, the costs of accessing public goods and services at a distance will be relatively high, and inversely in highly integrated geographies. As the costs related to access at a distance decline, then it becomes cheaper to access those kinds of public goods that have high economies of scale, and hence there will be more of them. Conversely, if there are strong political or economic borders, goods provision will be more fragmented and

local, with foregone economies of scale, hence raising the cost and nature of such goods (World Bank, 2009).

These forces are at least as important as ideology or power in shaping public goods provision in cities. Thus, Melbourne (highly liberal society) and Amsterdam (social market society) are more similar in the local public goods they provide than are national public expenditures of their respective countries (Australia, 26.3% of GDP and The Netherlands, 42.2% of GDP). Moreover, though the aggregate pattern of local public goods provision is very different when the four forces have strong variation, at a similar level of real per capita income, per capita provision of local public goods is similar. For example, Los Angeles has a population density of about 8000 persons per square mile, while Paris has a density of 58,000 per square mile. Paris has more parks per capita than Los Angeles. But if we subtract the large part of the population in Los Angeles that has private outdoor space and calculate the public park space per Angeleno that has no such space, Paris and Los Angeles have very similar per capita levels of outdoor space as an amenity. Los Angeles has rather little public transit compared to the four other mega-cities of the developed world: London, New York, Tokyo and Paris. But the share of users of public transit is also much lower, because in Los Angeles, a higher proportion of the population gets around by private automobile. Hence, the provision of public transit services per *user* of transit in Los Angeles is not so different from these other cities.

As cities go through phase changes in their urban land nexus – notably as they go from lower to higher density -- there is a remarkable degree of convergence in regional public goods provision, at a given level of economic development. As LA's

density has risen, and traffic has slowed, LA has undertaken the most ambitious metro construction program in the USA; this is a pragmatic, not ideological response to a problem. In other words, though the precise content of these zones of public provision may differ from city to city and across historical periods, it is striking just how deliberately most cities are ordered and governed.

It is true that different cities (and regions of the world) have histories of different “aggregate social welfare preferences” (as in the different sizes of the state in Australia and The Netherlands noted above). In Europe, owing to its history, *dirigiste* nation-state policies have strongly oriented urbanization and urban policy since the late 19th century. In the USA, with its more strongly liberal culture, urban planning has taken somewhat different forms and used somewhat different policy instruments. Thus, whereas suburbs developed as a decentralized outcome of many forces (especially land availability, liberal incorporation rules, and federal highway construction), in France they were planned by the state in the New Cities (*villes nouvelles*) projects of the 1960s. But both responded to the same general set of pressures at roughly the same time.

A final point can be made about the geography of both liberal and laissez-faire policies. In this paper, we have noted the rise of extreme forms of laissez-faire, sometimes plutocratic ideologies in shaping policy for financial markets, the welfare state, labor market rules, health care, and other domains of social and economic policy. Though these are not specifically urban policy domains, they do have effects that are highly urban. The growth of the financial sector, for example, is highly spatially agglomerated, and its labor force concentrates in major cities, creating

winner classes of people with high incomes, who compete for housing and carry out gentrification (Sassen, 1991). Financial deregulation also transforms housing into a financial asset, and this has had strong effects on housing booms and busts in cities. Reshaped national welfare policies also most strongly affect urban residents (since there are many poor people in cities). But the “urban” is not the principal source of these policies; they are national-scale policies with concentrated urban effects. It is an ecological fallacy to call them examples of fundamentally *urban* neo-liberalism (Scott and Storper, 2015).

Even here, caution must be exercised. There is little evidence of a world-wide rollback in social welfare protections, as measured by the percentage of GDP that is spent by the public sector in OECD countries, and specifically by the proportion of that devoted to public goods and social welfare expenditures. The OECD average rose from 24%-26% between 2007-14, and only one OECD country (Hungary) saw this figure decline, and only marginally. In many countries around the world from South Korea to Brazil, social welfare systems are expanding (Lindert, 2004). The rollback in welfare is a specifically Anglo-Saxon trend, and the neo-liberalism literature reflects a parochial point of view in this regard. Income inequality is indeed rising in many countries around the world, but this is not largely caused by a rollback in social welfare expenditures, but instead by the growing inadequacy of social welfare systems, which were designed in the mid-20th century, faced with the momentous contemporary shifts in technology, demography, and work (Atkinson, 2015).

In any event, cities can at best act on the margins of these large-scale economic and societal changes and national policies. For example, cities can use their land use regulation power to leverage certain kinds of corrective policies to economy-wide dynamics, as for example in requiring developers to include a certain level of low-income housing in return for development approval. The paradox, of course, is that it is the richer cities – the local economies that are the winners in the new economic geography of the current era – that have both more revenue and more demand for their land, and therefore more leverage to soften the effects of global and national forces through urban policy; for example, they can regulate locationally-fixed private interests, such as land developers, non-tradeable economic sectors, and highly locationally concentrated trade-able sectors, without fear of capital mobility and disinvestment.

Conclusion: for a normal social science of urban policy and governmentality

In this paper, I have argued that much of the critical neoliberalism literature has become imprecise and over-reaching. First, much of the existing literature on neo-liberalism has failed to understand classical liberalism, which is centrally concerned with the appropriate border of state and market and concerned with income distribution as well. Second, the historiography of much of the neoliberalism literature leads it to confuse a mid-twentieth-century movement to revive liberalism (i.e. appropriately-labeled neo-liberalism) with a late-twentieth century to radicalize

and deform liberalism into either laissez faire doctrine or plutocratic authoritarianism, a sort of oligarchic doctrine. I argue that this confusion stems in part from the widespread hostility to markets (i.e. to liberalism) of many authors on neoliberalism and nostalgia for 20th century welfare states. Third, the neoliberalism literature does open up a valuable use of the governmentality approach. But it foregoes many possible insights that could be gained from this approach due to its tendency to classify highly differentiated social and economic practices into an overly-sweeping category of neo-liberal practices and subjectivation, compounded by an atavistic nostalgia for the “good old days” of mid-20th century society. Fourth, the literature hardly engages with elementary theories of urban public goods, regulation, and management, favouring an overly constructivist approach to such phenomena.

One must ask how such a potentially important debate got to this point. The critical neo-liberalism literature exhibits number of methodological weaknesses and biases that, in this author’s view, are frequently found in “critical” social science. On the whole, the critical neoliberalism literature has an ominous, anti-liberal, anti-capitalist drumbeat. The issue is not whether one is for or against markets or capitalism, as there are reasoned arguments that can be assembled for all such positions. It is rather that normative bias can distort social science. In this type of writing, what they call neo-liberal ideas and practices are seen to be the *fer de lance* for markets and global capitalism, ready to unleash destruction of the social welfare state in the West and exploit workers in the Global South. This normative bias might partly explain why the elementary analytics of liberalism is simply ignored. It also

reflects the penchant for totalization and constructivism (“it’s all part of a big phenomenon”), rather than seeing the world as having many complex pragmatics (Jay, 1986; Zittoun, 2013).

Another key methodological weakness of the literature is that it tends to eschew normal social science methods of tight definition, measurement and testing of evidence. Thus, “(n)eoliberalism, though, is an always-thwarted totality. Even under conditions of hegemony, it can only exist in hybrid form.....” (Peck, 2015: 173).

As a result, critical analyses of this always-incomplete process must necessarily surpass binary declarations of absence/presence (*or quantifications of more/less*)..... (Peck: 2015: 173)

In effect, then, the literature gives itself an all-purpose shield with which to propel evidence-based critique or verification, which is only exacerbated by the promiscuous use of terms such as “post-neo-liberalism” (Peck, Theodore and Brenner, 2010).

The conclusion to be drawn is not that we should be unconcerned with the advent of plutocratic, cronyistic practices, laced with laissez-faire doctrines, nor with the micro-physics of power linked to them. It is that in order to get a better grasp on these issues we must use the tools of normal social science as well as critical qualitative methods. In this, it is essential to resist any kind of Manichean *a priori* judgement of the phenomena under examination. With such distance, the field could hope to produce a more convincing analysis of the sources of policy and public management in cities, and of human subjectivation more generally. By not over-reaching, it could also generate a more convincing critique of the worrying rise of

plutocratic, laissez-faire and authoritarian practices and ideologies, as well as a greater appreciation of the pragmatic and diverse origins of millennial social life.

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NOTES

¹ Gyourko et al (2008) developed the Wharton Residential Land Use Regulation Index, allowing them to rank states and metropolitan areas by level of regulation. The index has 12 sub-components that account for a variety of dimensions of the

regulatory environment. There is a strong correlation between high-income, high-wage metro areas and the level of regulation. Lower-income metro areas (and states) have lower levels of regulation. See Table 10, p. 711 and Table 11, page 713. A selection of other well-recognized papers that document the link between regulation of housing construction and supply expansion, as well as the general expansion of regulation include Nelson et. al, 2002, OECD, 2005; Hilber and Robert-Nicoud, 2013; Cheshire, 2009; Fischel, 1995, and Green Malpezzi and Mayo, 2003. This paper is not about whether such regulation is good or bad, but is citing this as a starting point for a discussion about the extent to which we live in a de-regulated world, a key theme of arguments that neo-liberalism is pervasive.

² Liberalism has many origins, including the Italian cities of the early Renaissance, England after the 1688 revolution, the Scottish and French Enlightenments, and the American and French Revolutions (Fawcett, 2014; Pagden, 2012). In Britain, Germany, the US, France, and Italy, specific liberal traditions developed over time, and gave rise to many other syncretic and specific liberalisms across the globe (Fawcett, 2014).

³ Ebenstein (2003) also points out that the title of the *Road to Serfdom* is basically a translation from Tocqueville's (1835) concept of modern democratic *servitude*.

Tocqueville (aka Alexis-Henri-Charles-Clérel, *comte* de Tocqueville) was an early 19th century observer of democracy and a liberal. He stood for free trade, against slavery and against colonialism. Yet he noted that democratic systems (notably that of America) had possible hidden routes to the loss of liberty, such as his famous "tyranny of the majority." These concerns are found directly in Hayek (1944), but a

century later and without the aristocratic and religious baggage carried by Tocqueville.

⁴ It should be remembered that liberals such as Arrow and Robbins contested Rousseau's concept of *volonté générale* ("general will") which, though propagated in the context of the Enlightenment and the French Revolution, had nonetheless been coopted extensively since then in various forms of justification of dictatorship – including both benevolent and authoritarian forms thereof. This greatly animated thinkers from Hayek through Popper to Robbins and Arrow. Arrow (1951) is one of the greatest defenders of the role of the state, in the left-Liberal tradition, and Amartya Sen admits that the problem of social choice cannot be resolved through traditional Statism or *dirigisme*, not to mention dictatorship.

⁵ Thus, it is important to stress that mainstream liberalism was also working on de-regulation from a different perspective. They saw the possibility of ending regulated monopolies in telecommunications and air travel for good technical reasons (their markets were now large enough for competition without sacrificing scale, and de-regulation would generate variety and choice). Such monopolies, in other words, corresponded to an earlier stage of economic development but were no longer necessary. And time has shown the de-regulation of these sectors to be very beneficial to consumers and, in telecommunications, good for innovation.

Technology has also changed notions of anti-trust in many other sectors, where the issue is no longer market share but whether the threat of technological change enforces competitive behavior and prevents rent-earning, as in the Microsoft case of the 1990s (*US vs. Microsoft*). The point is that there are many sources of theories

about de-regulation, and many of them do not come from strong laissez-faire quarters today.

⁶ I am going to put a number of phrases from Foucault's work in the original French as well as English, drawing from the oral record of the courses at the Collège, *Cours du Collège de France*, which have been published in French in a series of books, starting in 1997 and ending in 2015, by the Editions de l'École des Hautes Etudes en Sciences Sociales, Gallimard, and Seuil, in collaboration. These supplement Foucault's principal books, which have been translated into English.

⁷ Foucault remarked that his work was a "*histoire de la pensée*" (history of ideas). And he defined this as, "*Par pensée, je voulais dire une analyse de ce qu'on pourrait appeler des foyers d'expérience, où s'articulent les uns sur les autres: premièrement, les forms d'un savoir possible; deuxièmement, les matrices normatives de comportement pour les individus; et enfin des modes d'existence virtuels pour des sujets possibles.*" Thus: "By ideas, I meant an analysis of what one could call the sites of experience, where experiences are interwoven with one another: firstly, the kinds of know-how that are possible; secondly, the normative matrixes of behavior for individuals; and finally the possible types of existence for possible types of subjects."

⁸ The term *dispositif* has no direct equivalent in English. It combines aspects of the words "tool," "system," "technique," "pattern" and "device," but its meaning is not captured by any one of them alone.