Neoliberalism and local governance – global contrasts and research priorities

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Today, neoliberalism has become a key reference point for many critical analyses of contemporary local governance. Of course, there remain the occasional ‘neoliberalism deniers’ who claim to find a lack of coherence in the concept, and perhaps rather more who give a cursory nod to neoliberalism without really engaging substantively. But for many others neoliberalism (or, better, the process of neoliberalisation) provides a conceptual foundation from which not just to understand better the bigger picture behind the array of changes and trends which have transformed local government (the 3 Ps - privatisation, partnership, participation etc) but to develop a critique in a way which might help to point towards more progressive alternatives.

I also suggest that it is helpful that the meaning of neoliberalism, its explanatory power, and how we understand the process of neoliberalisation, are all contested. First, one might say there are two broad schools of thought about neoliberalism. For the Foucauldian school, neoliberalism is a bundle of the 3 Ts - the tools, techniques and technologies - of governance. For the Marxists, neoliberalism is a ruling class strategy, aimed at rebuilding the power of capital, finding new sources of profit and accumulation, and rolling back the class compromises of the postwar era in different parts of the world (the Keynesian welfare state, import substitution strategies). My own sympathies lie principally with the latter, but I would also like to think that these two perspectives are not entirely incompatible – we need to grapple with the tools and techniques through which class strategies are operationalised, and with the ways in which both governable and ungovernable subjects and subjectivities are formed in line with or in resistance to neoliberalism. Then, secondly, is neoliberalism the (or at any rate the dominant) variable in understanding local governance, or merely one factor among several? I think the onus here is on those who take the second view to be clearer what the other variables are, and what conceptual status they have. Finally, there is the question of ‘how many neoliberalisms’? We surely all now agree that the process of neoliberalisation is not even or constant (across space or time) and that the existence of ‘many
neoliberalisms’ can be attributed at least partly to the collision between neoliberalising forces and ‘inherited landscapes’ of various kinds, but exactly what this means is still hotly contested.

All the above is, I think, fairly familiar. So, in one sense, is a recognition that neoliberalism is a contradictory and contested process. The point is frequently made, and often the tensions and contradictions of neoliberalised local governance are not merely (as some critics would have it) merely tacked on to the end of an argument, but are of its essence. It remains the case, though, that in places like England and other parts of the global North, local governance is now fairly thoroughly neoliberalised. To the extent that there is contestation, it is mostly about alternatives within neoliberalism. In particular, there is an ongoing tension between what I would call the expansive and consolidatory ‘moments’ of neoliberalism – the former closely aligned with core neoliberal tenets, the latter often associated temporally with a second phase of neoliberalism when the contradictions of the expansive moment force dominant interests to give greater priority to social cohesion and the hegemony of the neoliberal project. In the UK read Thatcherite privatisations and New Labour’s ongoing importation of market principles and practices into the local state for the first, institutions like public-private-voluntary sector partnerships for the second. With the current cuts in local public spending and devolved responsibility for making them, we are now witnessing a swing back towards the expansive moment, at the same time as the politics of the ‘big society’ and ‘nudge’ reconfigure the consolidatory moment. The point is, though, that – so far at any rate - contestation is between versions of neoliberalised local governance. More radical attempts at contestation tend to be marginal to the mainstream, isolated and limited in their impact.

In total contrast, in many parts of Latin America there are fundamental challenges to neoliberalised models of local governance, and modes of local governance have emerged or may be emerging which seek to roll back the processes of neoliberalisation and construct ‘post-neoliberal’ local institutions and practices of governance. They are part of political and policy paradigms which to a greater or lesser degree reject neoliberalism, and seek to radically ‘refound the state’, rejecting neo-colonialist and neoliberal state forms.
In some places, contestation has taken the form of the occupation and subversion of local governance institutions created by neoliberal regimes. In Bolivia, local participatory structures set up to try to consolidate the hold of neoliberalism throughout the country were taken over and became one of the institutional bases from which a broad oppositional alliance overthrew the neoliberal government, paving the way for the MAS government led by Evo Morales. In other cases, new local institutions have occupied an important place in attempts to create an alternative ‘post-neoliberal’ model of political economy. The experiment in participatory budgeting in Porto Alegre, Brazil is extremely well known, and even if it has now effectively run its course in Porto Alegre itself, it has had an inspirational effect worldwide. In Chiapas in Mexico, the Zapatistas have established alternative local governance institutions in the areas they control, dispensing justice and providing a range of local services to a population alienated from the oppressive rule symbolised by the regional and local institutions of the Mexican state. In Argentina, when the economy collapsed in the crisis of 2001, and the state ceased functioning with it, a mass, barrio-based movement of unemployed workers and citizen groups set up autonomous, loosely networked neighbourhood organisations providing services and selling produce. In Venezuela, around 20,000 consejos comunales (community councils) have been set up by Chavez’s ‘Bolivarian revolution’, as a challenge to existing municipalities and a power base for local activists, creating what has been called a new geometry of power. In Bolivia, a new and decentralised constitution which empowers the indigenous majority for the first time recognises, alongside familiar departmental, regional and municipal state institutions, the right to local self-government of the ‘originary indigenous nations and peoples and peasant communities’. In Brazil, in the absence or hostility of the state, the Landless Workers Movement has settled nearly 400,000 previously landless families and provides education, health and other services to these communities. In some of the above cases, where the political parties, trade unions and social movements of these classes are strongly represented in national governments, these new forms of local governance have state support; elsewhere, they exist in opposition to right wing neoliberal governments. But in either case, they represent the attempted institutionalisation of the interests of the proletarian classes (urban workers and rural peasantries) at local level, and attempts to break from neoliberalism.
The outcome of this wave of radical reshapings of local governance remains an open question. But it cannot be seriously doubted that, in Latin America, unlike the global North, neoliberal local governance is indeed being actively contested, and with some success. What is the implication of this for our academic practice? It has long been an academic truism that we live in a globalised world, in which the forces acting on local governance are global in their reach. But the question is not so much whether our analyses acknowledge the global nature of neoliberalising pressures on our patterns of local governance here in England, or elsewhere in the global North, rather it is whether our research agendas recognise sufficiently that the cutting edge of neoliberalisation as a contradictory process of class and social struggle lies at the moment on the other side of the world. This is not to suggest that what may be happening to local governance here in England is of no academic or political importance. Developments at the core of neoliberalism will continue to need scrutiny, and oppositional struggles need our attention and support. But if our interest is in what might replace neoliberalism, we need to turn our gaze, and our research energies and resources, to where the real action is. We need to find out much more about what is really going on, and what the potentials and limits are, in Bolivia, Venezuela, Chiapas and elsewhere, and – while recognising differences of context and culture – use this knowledge to reflect on how experience in the South might inform progressive change in the North.