

Post-Fordist City Politics

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This chapter looks at local (urban) institutions and politics under post-Fordism. It first identifies the new practices and forms of urban governance observable in most Western European nations as well as in the United States over the past two decades. It assumes that we are in a transitional period of experimenting with ways that might resolve the current economic and welfare state crisis, to screen the changes that have occurred in the context of urban governance in order to examine whether they contribute to resolving the current dilemmas of urban politics in consistency with the logic of a new 'growth model'. This approach echoes the regulationist analysis embraced by other chapters in this book, which assumes that there is more than one way out of the crisis of Fordism. For example, in terms of the organization of capital-labour relations, some countries have developed more negotiated involvement, while others have adopted less consensual flexibility strategies.¹ Applying such a regulationist analysis to urban politics therefore points to strategic implications (spelled out in the final section of this chapter) for the social movements and actors working to develop democratic concepts for local politics and management.

CHANGES IN URBAN GOVERNMENT

Many changes have affected local politics over the past two decades, some of which have congealed into patterns common across national

and regional particularities. At least three parallel trends have been identified in the recent literature on urban politics.

First, in all advanced Western nations local politics have gained in importance as a focus for proactive economic development strategies. The background for these developments is changes in capital mobility and shifts in the technological and social organization of production, which are described elsewhere in this book. One of the effects relevant for the local level has been that the changes have made it increasingly impossible for particular (re)production conditions to be organized or coordinated by the central state. While under Fordism local modes of regulation played a minor and subordinate role in assuring the coherence of the overall regime (the central state and other larger-scale modes of regulation played the crucial roles), efforts to respond to the crises of Fordism have involved a shift in this 'division of labour'. The specific local conditions of production and reproduction required by globally mobile capital cannot be orchestrated by the central state. Hence local political organizations, their skills in negotiating with supraregional and multinational capital, and the effectiveness with which they tailor the particular set of local conditions of production have become decisive factors in shaping a city's profile as well as its place in the international urban hierarchy.

Second, there has been an increasing mobilization of local politics in support of economic development and a concomitant subordination of social policies to economic and labour market policies. This shift in emphasis between different policy fields has often been labelled as a shift towards the 'entrepreneurial' city, and it goes hand in hand with a restructuring of the provision of social services. Both in the local economic interventionism and in the reorganization of public services the local state now involves other, non-governmental, actors in key roles.

This constitutes the third novel trend in urban governance, namely the expansion of the sphere of local political action to involve not only the local authority but a range of private and semi-public actors. To coordinate these various policy fields and functional interests, new bargaining systems have emerged, and new forms of public-private collaboration, in which the role of the local authority in respect of business and real estate interests, and the voluntary sector and community groups, is becoming redefined.

The first trend, the development of a 'perforated sovereignty' whereby nations become more open to trans-sovereign contacts by subnational governments, and regional/local forces become more active in advancing their own locational policy strategies oriented directly to the world market, is seen by many observers to contribute to a greater salience of the local state (as well as other local institutions

of governance and economic relations – see chapter 8 by Bob Jessop). ‘Greater salience’ does not mean greater strength, autonomy or a shift in the balance of central–local relations; in fact, local authorities have extended their strategic and active intervention at a time when they have been under increasing political pressure – in the UK there is even a question mark over their very survival (see Page, 1993). Despite or because of this, there is a resurgence of local politics, which provides the basis for the other two changes in urban governance, which I will present in some more detail.

Shifts in emphasis between different policy fields

Increased engagement of the local authority in economic development

With central government grants decreasing since the mid-1970s, local authorities have sought to respond to whatever restructuring problems were manifest in their region. In the declining old industrial areas, anti-unemployment programmes and local labour market policies were put into place (e.g. Maier and Wollmann, 1986; Bullmann, 1991; Getimis, 1992): diverse strategies were explored to foster a more favourable business climate; many cities increased spending on culture and leisure facilities, or implemented strategies to upgrade the ‘image’ or the ambiance of a town (see Logan and Swanstrom, 1990; Stöhr 1990; Mayer, 1992). Some local governments seem to be aware of the increasingly polarized occupational and class structure of their cities and seek to counteract the attendant social disintegration with consciously chosen strategies to stimulate growth (Heinelt and Mayer, 1993). From case studies we can gather that the urban leaders engaged in diverse local economic development activities were often far from certain as to how precisely an improvement in the course of urban development might be brought about, except in agreeing that ‘industry and employment matters should be important’ (Cochrane, 1992, p. 122). Gradually, these activities have consolidated into a more systematic economic development policy strategy oriented explicitly towards nurturing ‘growth’ and, supposedly, employment.

This increased local economic interventionism is expressed not merely in the quantitative growth of local government spending for economic development, but, more importantly, in qualitatively different approaches to economic intervention, which seek to make use of indigenous skills and entrepreneurship, which emphasize innovation and new technologies, and which involve non-state actors in the organization of conditions for local economic development. While

traditionally the economic development measures of local authorities would focus on attracting mobile capital (with conventional location inducements such as financial and tax incentives, infrastructure improvement or assistance with site selection), a shift in the approach of local economic development offices is now obvious. Subsidies are now targeted to industries promising innovation and growth; more public resources are focused on stimulating research, consulting and technology transfer, as well as on building alliances embracing universities, polytechnics, chambers of commerce and unions; land is no longer a cheap resource to be offered generously, but a precious one to be developed strategically (Dyson, 1988; Parkinson et al., 1988; Cooke and Imrie, 1989; Bennett et al., 1990). Instead of seeking to attract capital from elsewhere, strategies focus on new business formation and small business expansion; thus, instead of competing with other jurisdictions for the same investment, cities make efforts to strengthen existing and potential indigenous resources (Moore, 1983; Eisinger, 1988; Robinson, 1989). Going beyond traditional booster campaigns used by development officials to publicize the virtues of their respective business climate, cities increasingly ‘market’ themselves in the global economy. Finally, the new development strategies frequently include employment strategies involving the so-called ‘third’ or ‘alternative’ sector (Ashworth and Vogel, 1989; Lasser, 1990; Mayer, 1990).

These diverse efforts to mobilize and coordinate local potential for economic growth together have produced the effect of gradually undermining the traditional sharp distinctions between different policy areas. This is particularly true in the case of labour market and social policy domains, but equally, educational, environmental and cultural policies have become more integrated with, and are often part and parcel of, economic development measures. In addition, the new efforts have introduced institutional changes: new departments and inter-agency networks have been created within the administration, and new institutions which contribute in significant ways to the shaping of local politics have been established and/or supported outside of the local authority (e.g. urban development corporations, training and enterprise councils, technology centres, growth alliances, local ‘round tables’).²

Restructuring and subordination of social consumption

In addition to the mobilization of local politics for economic development, whereby the local state seeks to organize private capital accumulation by including relevant private actors, the local state has

also been significantly restructured in its public services and welfare functions (social consumption). The pressures exerted by economic restructuring and mass unemployment on the one hand and by shrinking subsidies from central government on the other and the willingness to accord priority to economic development policies have pushed into the background one of the formerly central functions of local state politics, namely the provision of social consumption goods and welfare services. Not only has local government spending for social consumption declined as a proportion of overall expenditure, but a qualitative restructuring has taken place involving an increase in the importance of non-state (private and voluntary sector) organizations or of public agencies directed by market criteria (quasi-governmental agencies) in the provision of public services. In various policy fields where the local state used to be the exclusive provider of a service, non-governmental agencies have been upgraded or private markets have emerged (e.g. in waste disposal). In urban renewal, environmental and social policies local authorities cooperate more and more frequently with neighbourhood initiatives, self-help or other social movement organizations (Blanke et al., 1987; von Hauff, 1989; Evers, 1991).

As in the sphere of economic development, in the sphere of social reproduction once public sector led forms of service provision and management have been scaled down and complemented or replaced by a variety of private, voluntary and semi-public agencies and initiatives, and parallel coordinating structures have begun to emerge. What is more, the traditional redistributive policies of the welfare state have been supplemented by employment and labour market policies designed to promote labour force flexibility. For example, in many cities attempts are being made to switch from unemployment compensation to job creation and retraining programmes, and to generate employment opportunities for specific social groups (which directly supplement or replace traditional welfare policy). A plethora of municipally funded programmes have been established in social, environmental and urban renewal policy domains, which tend to be hybrid programmes emphasizing workfare and job creation while burdening non-profit (third sector) organizations with the delivery and implementation of urban repair or social service functions.³ Though they are quantitatively rather insignificant, municipal employment and training programmes have served to mobilize and integrate the job-creating potentials from different policy areas. Active labour market policy measures of this kind therefore imply a blurring of the traditional distinction between economic and social policies, as they create a real link between the local economy and the local operation

of the welfare state: welfare becomes increasingly redefined in the direction of the economic success of a local area.

This means that social welfare measures which used to be relatively universal and guaranteed by the national welfare state (but delivered by the local state) are now an arena of struggle, and are implemented in a fragmented fashion. This shift away from service provision through unitary and elected authorities towards more fragmented structures with increased involvement of local business, as well as of other private and voluntary sector agencies, has turned local government into merely one part – though perhaps the ‘enabling’ part – of broader ‘growth coalitions’. Further, the new mix of unpaid self-service labour and private and public sector paid labour contributes to the development of a new consumption norm which supports the commodification and/or the self-servicing of welfare functions (Jessop, 1991b, p. 101).

Thus, the new public-private forms of cooperation in the area of social consumption are also part of structural changes in the repertoire of municipal action. Whether the local struggles and bargaining processes will result in more egalitarian and accountable models responsive to broad local needs, or in divisive models enforcing processes of polarization and marginalization, one of the certain new characteristics of the emerging local ‘welfare state’ that distinguishes it from the past is its role in enabling negotiation with, and initiating activities by, ‘outside’ actors.

Expansion of the sphere of local political action: new bargaining systems and public-private partnerships

The strategies developed to mobilize local potential for economic growth involve actors way beyond those of classical municipal politics. Labour market policy, for example, now involves not only the local authority, but also federal or national employment offices, individual state programmes (and their local participants), social welfare associations, churches, unions and in many cases individual companies and newly created consultancies. Urban development policy now involves private actors as early as the planning stage, while the local authority also has a say in implementation processes. And urban social programmes, emphasizing self-organized and community-based forms of social service provision, and relying on funds from diverse state and other sources, require novel types of cooperation between different municipal actors as well as between municipal and private agencies.

In these novel cooperation processes, spanning different policy

fields and bringing together actors from very different backgrounds, bargaining systems have emerged which exhibit round-table structures and are characterized by a cooperative style of policy-making where, instead of giving orders, the local authority moderates or initiates cooperation. Such a non-hierarchical style seems to have been recognized as essential for identifying and acting on the intersecting areas of interest of the different actors (Hesse, 1987, p. 72; Scharpf, 1991). The novelty consists in the fact that bargaining and decision-making processes increasingly take place outside of traditional local government structures, and that urban governance becomes based on the explicit representation and coordination of functional interests active at the local level (compare the new 'alternative' politics of post-Fordist democracy espoused by Lipietz in chapter 11 in this volume).

The actors participating in the definition and implementation of economic development and technological modernization programmes tend to be business associations, chambers of commerce, local companies, banks, research institutes, universities and unions. The restructuring of the local welfare state, on the other hand, has expanded the sphere of local political action to include an additional set of actors: welfare associations, churches and frequently grassroots initiatives and community organizations.⁴ Given the new employment structures, the growth of precarious and casualized job relations and structural long-term unemployment, the traditional distinction between these 'soft' and 'hard' policy spheres, however, has been eroded as municipal programmes seek to address 'social' problems in the context of economic development and labour market policies.

Alongside the new forms of public-private collaboration in economic development and in social service provision, explicit public-private partnerships have also emerged in urban renewal and urban physical development programmes. Faced with both tight budgets and increasing redevelopment tasks many city governments have explored new ways of planning and financing urban redevelopment. In order to upgrade their central business districts, to refashion old industrial sites and to develop attractive new projects, they have entered into partnerships with large investors, developers and consortia of private firms.

There is no 'typical' public-private partnership, but more or less intensive forms of cooperation and more or less traditional forms of partnership. The new partnership embraces a range of forms of collaboration, from mere transfer of subsidy from the local authority to particular firms, in which local government plays the role of a 'junior partner', to joint ventures where state and firms share risks and equity interests on a relatively equal footing. Partnership projects most

frequently focus on the physical upgrading of a large area near the central business district (Frieden and Sagalyn, 1989; Dekker, 1992), but increasingly they involve development planning and implementation in more neglected neighbourhoods, which include community development corporations and other neighbourhood-based groups (Simmons et al., 1985, pp. 35 ff, 49 ff; Costonis, 1990; Selle, 1991).

In any event, the partnership rests on a 'deal' between the public and the private participants: in exchange for the local authority's subsidy, use of governmental powers (planning, assembling of properties, tax concessions), interpretation of government regulations (zoning, land usage) etc., the private partner is expected to meet certain project goals and to take on later management tasks. The private partner also has to share project returns with the local authority. This may occur through later lease or tax payments, through the provision of public infrastructure (e.g. subway stations), or through the hiring of local (often minority) workforces in project construction or maintenance (Smith, 1989; Molotch, 1990).

Private investors gain from such a deal because the local authority's resources offer them attractive ways to expand their activities. In areas with intense physical development pressures, urban redevelopment provides highly profitable opportunities for private developers, who need access to promising real estate as well as land titles (Wollmann, 1992). Large investors, such as banks, insurance companies and construction contractors, have recognized the potential of this municipal market for some time.

City governments gain from this deal because it allows them to attract more financial resources into urban development and to increase their effectiveness in achieving development goals. By combining public powers with entrepreneurial flexibility, organizational capacity and additional private (venture) capital, complex urban development tasks can be carried out more quickly and efficiently. Further, city governments can decrease their dependency on the national government and are able to tailor development more directly to particular local needs. Pressure on limited municipal administrative capacities is relieved and partnerships often work to increase the qualification and flexibilization of public administrations. In contrast to the total privatization of public tasks, the city retains, despite limited finances, some control and influence (Kirlin and Kirlin, 1983; Heinz, 1993). In fact, over the years, public negotiators have become more skilled in obtaining concessions from developers and in holding private partners responsible for meeting performance obligations (Fainstein and Fainstein, 1993, p. 102).

Nevertheless, this 'deal' between the public and private sectors

contains a high level of ambiguity, as partnership schemes remain sites of continuing political and economic renegotiation: 'In effect, what is "going on" in partnerships is a version of the broader conflict over the future organisation and scope of the public sector' (Mackintosh, 1992, p. 221). Precisely this ambiguous character, however, leaves space for a strategic role for local government and other 'public interest' organizations.

Both community-oriented partnerships and redevelopment partnerships in growth-promising central areas vary greatly in terms of their openness and responsiveness to affected interests, depending on local political traditions and prevailing balances of power. The more horizontal style of the new bargaining systems and project-specific partnerships does not necessarily imply greater openness to democratic influence or accountability to local social or environmental needs (see Lipietz, chapter 11 in this volume, in contrast). On the contrary, the participants may form an exclusive group representing only selected interests. While there remain significant differences in the relative power of business, unions and community groups, as well as between 'established' community groups and more marginalized, unorganized interests, and while new bargaining systems and partnerships continue to vary in their inclusiveness, the new institutional relations and arenas of urban management have altered the political terrain and opportunities for *all* local political actors. Politics in the sense of arriving at and implementing binding decisions occurs more and more via *negotiation* and *renegotiation* between different public and private actors, both of whom are affected by the process of bargaining, as the partners try to 'move the objectives and culture of the other towards their own ideas' (Macintosh, 1992, p. 216).

In these partnerships, the distinction between urban (re)development projects and economic development strategies, as described earlier, is increasingly blurry, especially in the case of community development projects or corporations, which now are typically as concerned with industrial and commercial development objectives as with housing and physical renewal. Such partnerships, which usually include some form of community representation, may offer services and technical assistance to local (small) businesses, run job placement services or help with developing export programmes for local businesses. They seek to tap whatever local economic development potential exists, thus contributing to the municipal strategy of mobilizing indigenous potential for economic growth and regeneration (National Congress for Community Economic Development, 1989; Wievel and Weintraub, 1990).⁵

On the other hand, the expansion of development corporations

concerned with improving housing and social conditions and the quality of life in neglected neighbourhoods may also be considered as part of the restructuring of the local welfare state along the lines described earlier. In the past, municipalities have used non-profit organizations to different degrees in different nations, primarily for the *delivery* of services. But since public funds for community development have dried up everywhere, broader partnerships have been forged, involving banks, investors and voluntary association - with community development corporations (CDCs) as catalytic actors within them. Now, they are involved in the planning as well as implementation of (social and physical) renewal of urban communities (Selle, 1991); their intermediary organizations and renewal agents combine social, environmental and revitalization work while also performing lobbying and political functions (Schnepf-Orth and Staubach, 1989; Froessler and Selle, 1991).

In addition to private (market) actors and public (state) actors, these partnerships importantly involve the so-called voluntary or third sector. A boom of 'third sector' literature reflects the 'discovery' of this sector at a time when politicians began to reconsider the division of labour between public and private sectors, and to examine ways of reducing state responsibility (Anheier and Seibel, 1990, p. 8; Anheier and Salamon, 1992). However, while research identifies an explosive growth in the non-market, non-government organizations and activities lumped together under this label, less attention has been paid to the parallel penetration of this sector by the logic of the state and/or the market. Simultaneously, while traditional third sector organizations (previously dominated by the Fordist welfare state) tend increasingly to be run for profit like capitalist enterprises, newer organizations also function as elements in an alternative economy, which, in turn, is tied increasingly to municipal programmes (Mayer, 1993). Both cases, while serving to make the welfare state more flexible through less rigid bureaucratic forms and more competition, also enlarge and restructure the sphere of local political action. In this expanded system of local politics the public sector reduces its functions, yet plays a more activist role in its interaction with the non-state sectors. No longer the centre of decision-making, as bargaining and decision-making processes occur outside traditional, local government structures, local government takes on the role of a moderator, managing the intersecting areas of interest and - in successful cases⁶ - exerting more leadership and control as it provides its resources on a *conditional* basis.

While, in the more traditional collaboration between the public and the private sector, cities would seek to attract investors with cheap land,

low taxes and capital subsidies (without expecting to influence the firms' future behaviour and decisions), the recent urban economic development programmes focus public resources on firms and industries that promise growth, and they hold the private partner responsible for meeting contractual and other obligations (Eisinger, 1988, p. 23). While in traditional urban development the redevelopment process was subject to approval by federal bureaucrats, now things are 'entirely up to the locality, where communities are mobilized or have gained access to City Hall, they have the potential to influence programs' (Fainstein and Fainstein, 1993, p. 119).

Thus, the role of the municipality has changed from being the (more or less redistributive) local 'arm' of the welfare state to acting as the catalyst of processes of innovation and cooperation, which it seeks to steer in the direction of improving the city's (or community's) economic and social situation. These forms of cooperation are increasingly replacing state-provided functions to ensure social reproduction. In order to win the resources and competences of various private actors, the local authority has to respect to some degree the peculiar character and particular functional conditions of these non-state organizations.

REGULATIONIST ANALYSIS: IDENTIFYING THE CONSTRAINTS AND OPTIONS FOR LOCAL POLITICS

A regulationist analysis helps in disentangling the implications of the identified changes in the forms and institutions of urban governance for political action. However, there has been a lot of confusion over 'post-Fordism' because the theoretical language of the regulationist framework, as originally developed by French political economists during the 1970s, has been adopted and redefined by many other writers. The British debate, in particular, has been massively influenced by a version put forth by the journal *Marxism Today*, which sees the breakdown of the monolithic methods of production under Fordism leading inevitably to the success of 'post-Fordist' political and social aims. This variant seeks to replace the old debate between the Left and Right by a new opposition between past and future (hence its use of the term *New Times*): the reorganization of production around new methods of flexible specialization is supposed to bear greater individual freedom and the end of centralized bureaucracies; post-Fordism is seen as a preordained successor to Fordism (Murray, 1988).⁷

Against such a 'mistranslation' (Barbrook, 1990) of the regulationist

approach, which has influenced the debate concerning local state restructuring in Britain (Stoker, 1990; Lovering, 1991; Tickell and Peck, 1992; Cochrane, 1993, pp. 81 ff), this chapter draws on the original French analysis of post-Fordism, which offers a framework for assessing the possibility of *different* compromises under the conditions thrown up by a new accumulation regime and new social modes of regulation (Hirsch and Roth, 1986; Hirsch, 1988, 1991; Boyer, 1990; Jessop, 1991a, b; Lipietz, 1992a, b). While there are different theoretical explanations within the regulation approach,⁸ it is generally assumed that the Fordist regime of accumulation has been in crisis since the mid-1970s and that - without major restructuring and new modes of regulation - the crisis cannot be transformed into a new constellation of prosperity. By focusing on the correspondence between the system of accumulation and modes of social regulation,⁹ and by seeing the latter playing a crucial role in securing (temporary) stability and coherence in the capitalist system which is highly dynamic and in principle unstable, the regulation approach provides the opportunity to explore whether emerging elements of regulation are helping to resolve crisis tendencies and address the limits of the Fordist models¹⁰ and whether they contribute to securing the conditions for a post-Fordist 'virtuous circle' to operate. Further, by identifying the compatibility requirements of a new mode of regulation, the regulation approach allows us to explore the variety of options and scenarios theoretically possible within this mode and to recognize the conditions under which more progressive/democratic or more conservative/exclusionary models would emerge. The issue of compatibility and the issue of versions of post-Fordist models of regulation are discussed in turn below.

Compatibility

Can the new entrepreneurial local state outlined in the previous section be described as post-Fordist? If it can be shown that both the new forms of state intervention and the new institutional relations at the local level described in the first half of this chapter address the limits and solve the crises of the traditional model, and contribute to securing the conditions for a new growth model, then they may indeed be said to prefigure forms of urban governance capable of delivering a new coherent framework for urban management rather than being mere transitional forms of crisis management.

As we have seen, the new *forms of economic intervention*, which focus on competitiveness, seek to promote primarily technological innovation,

new sectors, or new processes in established or restructured sectors, and thereby do address the problem of insufficient productivity; they move away from the traditional (Keynesian, central government led) interventionism designed to maintain levels of aggregate demand compatible with full employment (seeking, even, to maintain employment in declining sectors), which contributed to the stagflation of the 1970s and to disrupting the Fordist growth dynamic. Further, with its restructuring of social welfare in the direction of subordinating welfare policy to the demands of flexible labour markets and structural competitiveness, and of promoting more flexible and innovative provision of collective consumption, the entrepreneurial local state not only reduces social consumption expenditure (which had triggered the fiscal crisis of the Keynesian welfare state), but also reorients social policy away from generalizing the norms of mass consumption and the forms of collective consumption that supported the Fordist growth dynamic. Instead, a fragmented and potentially highly uneven provision of social consumption – tied to economic performance – is established, depending on the skills, political priorities and mobilization of local political actors.

The new *institutional relations* also contribute to resolving crisis tendencies of the traditional local state by replacing the overbearing, hierarchical state with a more pluralistic and, in some ways, more egalitarian version. This reorganization of the local political system reflects the new requirement to make connections between different policy areas, in particular between economic and technology policies, and policies on education, manpower training, infrastructural provision and so on. The sphere of local political action has been expanded: local unions, chambers of commerce, investors, education bodies and research centres have entered into partnership arrangements of different kinds with the local state to regenerate the local economy, and new bargaining systems based on negotiation have evolved. These local networks and bargaining systems address the limits of the centralized, hierarchical, bureaucratic-corporative structures that were characteristic of the Fordist state and that ended up producing huge costs, inefficiency and waste, as well as protest by new social movements. Further, the distribution of territorial management activities among a *range* of private and semi-public agencies as well as local government might prove more capable of contributing to stable reproduction under the new conditions of sharpened interregional and intercity competition.

Identifying these features of compatibility in the local mode of regulation implies that we can equate the requirements for 'local economic integrity' or for 'success' more widely than with mere

institutional capacity (i.e. the presence of many institutions of different kinds, with high levels of interaction and an awareness of a common enterprise: Amin and Thrift, 1994). 'Institutional thickness' would be the condition for success, but *specific* institutions compatible with and oriented towards supporting the emerging regime of accumulation must be present. The examples of the North of England or the Ruhr Valley illustrate that the presence of countless regeneration-oriented institutions (*and* national government subsidies) do not bring about successful regional restructuring (Grabher, 1990, p. 11; Lehner, 1993). It appears that the persistence of 'old-fashioned' unions, strong Keynesian welfare institutions and long-entrenched social-democratic labour coalitions is blocking rather than aiding the generation of a local institutional framework conducive to successful restructuring. Thus, the 'new mechanisms for attaining some form of local economic integrity' may be captured more adequately than in terms of institutional thickness by focusing on, as regulation theory does, the necessary correspondence between the mode of social regulation and the structures of an emerging post-Fordist accumulation regime.

However, even though this new pattern of urban entrepreneurialism and partnership is on the agenda of all post-Fordist scenarios (liberal, progressive, conservative), it is quite another question whether social and political conflict will allow the actual establishment of these new arrangements as elements of a *dominant* mode of social regulation. The entrenched habits of those in power, routinized forms of party political competition, occasional powerful political support for declining sectors (where these are strong, the need for new products and processes does not get fully articulated) and institutional inertia are renowned as stumbling blocks to the actual implementation of strategies that are meanwhile widely applauded in political discourse. But institutions and policy interventions which *do not* take into account the constraints of the emerging accumulation regime and the elements of the new mode of regulation face the likelihood of failure and the huge costs associated with such failure.

Possible versions of post-Fordist modes of regulation

As indicated above, a variety of political platforms pursue this post-Fordist scenario: whether dominated by the Left or by the Right, city governments now commonly give priority to economic development policies (via the entrepreneurial mobilization of indigenous potential), thereby pushing one of the formerly central functions of local state politics, namely the provision of collective consumption goods and

welfare services, into the background. This devolution or privatization of the local (welfare) state and its increased engagement in the arena of economic development tends to occur via new forms of negotiation and implementation privileging non-governmental (intermediary) organizations.

We find this basic model experimented everywhere, long-held political traditions notwithstanding. Subnational state intervention to encourage growth and employment is pursued even in the most liberal, so-called non-interventionist, environments,¹¹ and the post-Fordist welfare-workfare state is present on the most diverse political agendas: the Right finds it attractive because it involves voluntary action and workfare, allowing state shrinkage; the Left because it is 'enabling' people to exercise power for themselves; and the liberals because it emphasizes local community action. Furthermore, as we have seen, new bargaining structures have become a reality in many different cities even if they contrast starkly in terms of their inclusiveness and responsiveness with regard to interests outside those in the central business district, real estate and the large investor sector. In addition, cleavages have become apparent not just between neighbourhoods and large developers or large firms, but also between newly included community interests and groups peripheral to the new arrangements. In any event, city governments *can* play a more initiating and more active role than in the past, and local state activity is bound to reflect the power struggles and political conflicts within a locality.

In other words, more or less democratic versions of this basic model are possible - without seriously restraining the transition to post-Fordism. Indeed, it is not a requirement that the new institutions, in order to contribute to a new temporary stability, must prefigure political empowerment within localities (as Amin and Thrift, 1994, indicate), nor is it the case that the new bargaining structures *per se* are more biased towards private business than the old form of urban governance, which emphasized the separation between public benefit and private profit. Concrete developments and the degree of responsiveness and openness of versions will depend on how actors at the local level seize and struggle over the opportunities and forms provided within this basic model.

So what should the (environmental and democratic) movements be arguing for as key elements and practices of urban management? Different proposals have been put on the table: Lipietz in chapter 11 in this volume, for instance, argues for the creation of a new sector dedicated to socially useful tasks of the kind which are provided expensively by the welfare state, by unpaid female work or not at all. Others argue for a strengthening of national redistributive policies and for

challenging the political ideology 'that eschews state ownership of housing and industry' (Fainstein and Fainstein, 1993, p. 119).

Our analysis, however, shows that the situation has already become more complicated. The 'new alternative sector' envisioned by Lipietz to be the way forward is already a widespread practice within many of the municipal programmes which are tying third sector groups and their polyvalent work¹² to state employment policies. It has already differentiated into a multilayered, conflictual set of arrangements, subject to the pressures of both market and public sector demands, and characterized by internal tensions and cleavages.¹³ The task for movements, then, is not to *create* such an 'alternative sector', but to make it accessible to and resourceful for marginalized groups threatened by the powerful polarization processes of post-Fordism. Social movements need to use the new channels and forums provided by the new bargaining systems to challenge the powerful post-Fordist trend towards inequality and to attack its social divisions and its political forms of exclusion in order to strengthen the democratic potential of the new forms of urban governance.

On the other hand, while one may conceive of national strategies that redistribute resources from wealthy to poor areas or groups as a prop for democratic movements, demands for such national projects are improbable today, given the national welfare state's overbearing form (which contributed to the crisis of Fordism) and the disappearance of the preconditions for a Fordist 'deal' embracing the big social blocks (unions, employers, the state). In any case, such demands have to confront the erosion ('hollowing out') of the nation state form, 'especially in its Keynesian welfare state guise' (Hirsch, 1991, p. 73; Jessop, 1992, p. 3, and chapter 8 in this volume). These trends have to be taken into account, so a more appropriate strategy might be to make use of the forms and structures that have become available at the subnational level.

Instead of hanging on to 'old-fashioned' large-scale, nationally oriented strategies, instead of demanding unspecified third sector or community representation, social movements will need to use their own card within the structure of the new bargaining systems. Since urban governance has become based on the representation of functional interests active at the local level, and since the local authority has to respect to some degree the particular functional characteristics of the other actors involved in the new 'partnerships', and since *all* the involved participants control resources that are necessary for the policies to be effective, even social movement groups have a real basis for negotiation.

But 'negotiation' may be a mild term for the struggle at hand. The

emerging post-Fordist regime, with the new social modes of regulation including the new forms of urban governance described in this chapter, may function with some temporary stability, but it poses enormous long-term problems of social disintegration. The emphasis on economic innovation and competition, and the subordination of all social programmes to these economic priorities, will tend to produce deep divisions in society and threaten the decay of civil society (which, of course, in the long run causes difficulty for economic stability). Given emerging increasingly polarized class relations and the fragmented local situations, social movements need to mobilize to create pressure on the local authority, first, to develop strategic plans that make every effort to avoid social segregation and marginalization, and, second, to use the resources of large private investors to meet local social and environmental needs. If they manage to seize the opportunities and spaces provided by the new, fragmented political arrangements, they may yet influence the concrete shape of the post-Fordist development path.

NOTES

This chapter is based on a paper prepared for the 'Challenges in Urban Management Conference' held at the University of Newcastle upon Tyne, UK, in March 1993. The redraft has benefited from the comments of the conference organizers, especially Patsy Healey, and participants. The chapter closely resembles my contribution to the publication resulting from the conference, edited by Healey et al. (1994). I am grateful to the editors for consenting to this publication.

- 1 The USA and UK would be located on the 'flexible-liberal-productivist' end of the spectrum, whereas Sweden and to some extent other Scandinavian countries, Germany and Japan have developed 'negotiated involvement' models. See Lipietz (1992a, p. 318), as well as chapter 11 in this reader.
- 2 The UK and the USA, having been first among the OECD countries to experience severe urban economic decline, were also the first to shape national programmes directed specifically towards encouraging economic activities in urban areas, and established distinct national agencies to administer them (see Fox Przeworski, 1986).
- 3 The controversial and painful process of institutionalization of alternative local politics, which turned movement participation into interest group politics and co-production of services, has been variously described (Dackweiler et al., 1990; Roth, 1990; Mayer, 1993). Though under pressure, these projects and intermediary organizations are now an integral part of the urban political landscape and the local modes of social

- regulation. They serve to cushion the labour market and manpower policies which are to flexibilize the labour force, while they are themselves part of a more flexible and innovative provision of collective consumption.
- 4 While established welfare associations and churches have long been involved in the provision of social services, community organizations, alternative groups and movement organizations active around health, women, immigrant and youth issues, for example, have been screened by municipal governments since the early 1980s for their usefulness in dealing with long-term unemployment and marginalization problems - policy fields in which the traditional welfare state mechanisms apparently no longer function effectively (Offe and Heinze, 1992).
 - 5 Unlike the central business district oriented partnerships, the community-oriented ones usually suffer, however, from limited staff and financial resources as well as diversion of staff time to fund-raising rather than project implementation.
 - 6 Mackintosh (1992, pp. 221-2) lists some of the elements that joint ventures need to contain for them to be 'successful' and for local authorities to establish an active strategic role within them.
 - 7 Those who disagree with the magazine's celebratory reading of the ongoing transformation processes and its politics of cross-party coalition often also reject the determinist explanation of its inevitable triumph (e.g. Clarke, 1988, and earlier chapters in this volume).
 - 8 For a summary of the disagreements among regulationists see Jessop (1990b).
 - 9 'A mode of social regulation comprises an ensemble of norms, institutions, organizational forms, social networks, and patterns of conduct which sustain and "guide" an accumulation regime' (Lipietz, 1985, p. 121). 'Modes of regulation reinforce and underpin these regimes [of accumulation] by institutionalizing class struggle and confining it within certain parameters compatible with continuing accumulation' (Jessop, 1990a, p. 309).
 - 10 Any 'feasible reorganization of the welfare state must resolve not only the problems rooted in its own dynamic but also those rooted in its regulatory role in relation to accumulation' (Jessop, 1991b, p. 103).
 - 11 A typical example is the United States, which is described as a 'weak state' model where investment and production decisions are left almost entirely to the private sector and government does not pursue a conscious development strategy (Zysman, 1983, p. 19).
 - 12 For instance, via the simultaneous delivery of the urban repair, social, lobbying and political functions described earlier.
 - 13 The cleavages, for example, between 'established' community groups and newer, 'outsider' protest groups are a reflection of the intensifying social polarization which the post-Fordist economy entails. Newly marginalized groups and their advocates frequently attack the work of community development and alternative renewal organizations that are (meagrely) funded by municipal programmes.

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