

Recent Societal and Urban Change: Principles of Periodization and Views on the Current Period

Bob Jessop

Professor, Department of Sociology
Lancaster University

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This chapter addresses five issues: the uses of periodization in historical analysis; its application to advanced capitalist societies as reflected in claims that a transition is underway from Fordism to post-Fordism; the mutation in the economic, political, and socio-cultural significance of cities in this context; the rise of neo-liberalism, its forms, and its main alternatives; and the relevance of neo-liberalism to recent attempts to reinterpret the place of cities in a changing world. In this sense, although the chapter moves from more abstract to more concrete issues, it never touches the ground in a particular urban space. This would require even more concrete-complex periodizations and analyses than I can present below.¹

On Periodization

The main aim of any periodization is to interpret an otherwise undifferentiated 'flow' of historical time by classifying events and/or processes in terms of their internal affinities and external differences in order to identify successive periods of relative invariance and the transitions between them. Alongside any practical concerns motivating such exercises, they have general ontological, epistemological, and methodological aspects. Their basic ontological assumption is the paradoxical simultaneity of continuity/discontinuity in the flow of historical time. For, if nothing ever changed, periodization would be meaningless in the face of the self-identical repetition of *eternity*; if everything changed at random all the time, however, so that no sequential ordering was discernible, then *chaos* would render periodization impossible (Elchardus 1988: 48). It can only occur when relative continuity alternates with relative discontinuity. Relative continuity does not entail the stasis of identical self-repetition – only that relevant changes do not disrupt the structural coherence of a given period (e.g., the widening and deepening of mass production in the Fordist growth model during the postwar boom years). Nor does relative discontinuity presuppose random variation and hence a total absence of structure – only that the changes in question disrupt the previous structural coherence (e.g., the hypermobility of global financial capital versus the Atlantic Fordist mode of regulation with its national embeddedness). This disruption may have its own logic (e.g., neo-liberal structural adjustment programmes imposed on developmental states) and/or serve as an experimental transitional phase with different forces struggling over future patterns of structural coherence (e.g., new economic strategies after the 'Asian crisis'). What matters for present purposes is not the content of this sequential ordering but the fact that it is grounded in the alternation of relative continuity and discontinuity. The scope for periodization depends on the nature and definition of the 'objects' under investigation. It is most appropriate where a distinctive temporality is an inherent rather than accidental property of these objects.

Given my interest here in Fordism and post-Fordism, it is important to note that capitalism has just such a naturally necessary temporal structure that is rooted in its organization as an 'economy of time'. Capital accumulation is never based on purely self-identical repetition. It involves an ever-changing balance among repeated cycles of self-valorization, continuous self-transformation, bouts of crisis-induced restructuring, and phases of profound transformation. These are often linked to new patterns of time-space distantiation and time-space compression as well as to shifts in dominant spatio-temporal horizons, in the leading spaces of accumulation, and in the primary and nodal scales of social organization. These spatio-temporal aspects offer solid ontological grounds for attempts to periodize capitalism and capitalist societies.

Epistemologically, the simultaneity of relative invariance and sequential change means that, just like individual 'events', periods do not exist in themselves. A participant or observer must first abstract some features from time's flow that permit her to identify sequential periods of relative continuity and relative discontinuity (or vice versa) relevant to the practical and/or intellectual task in hand. The appropriate criteria to establish when the transition from competitive to monopoly capitalism occurred in England, for example, differ from those for planning an alliance strategy in a critical election. Chosen levels of abstraction and complexity also affect whether emphasis falls more on continuity or discontinuity. Thus one might stress the survival of capitalism's generic features in a shift from industrial to post-industrial society; or, alternatively, the changes in 'late Fordism' from 'high Fordism'. Periodizations always refer to particular problems and units of analysis. There can be no master periodization that captures the essence of a period for all purposes.

Methodologically, we can distinguish periodization from other ways of studying history. Others include chronicles, which merely record events or list statistics in calendric time; narratives, which emplot selected past events and forces in a sequential order with a beginning, middle, and end with an overarching structure

that permits causal and moral lessons to be drawn; and genealogies, which trace the differential origins of heterogeneous elements that are later combined into a structurally coherent pattern marking a new period of relative invariance. Another approach to historical analysis is chronology. This is often conflated with the sort of periodization that is advocated here. The crucial difference is that periodization adopts a 'strategic-relational approach', which emphasizes the reciprocal dialectic of structure and agency (Jessop 1990, 2002) and is reflected in three contrasts with chronology. First, a chronology orders actions, events, or periods on a unilinear time scale that serves as a neutral parameter (e.g., clock times from nano-seconds to geological time or beyond). Conversely, a periodization uses several time scales that include the temporalities of the phenomena being periodized. It orders actions, events, or periods in terms of multiple time horizons (e.g., *l'événement*, trends, the *longue durée*; business vs. political cycles; the temporalities of different fractions of capital). Second, a chronology recounts temporal coincidence or succession. It groups actions, events, or periods into successive stages according to their occurrence in given time intervals (demarcated simply through the calendar and/or other socially relevant markers, such as government changes). A periodization focuses on conjunctures. It classifies actions, events, and periods into stages according to their conjunctural implications (as specific sets of constraints and opportunities) for different social forces over different time horizons and/or for different sites of social action. Third, a chronology typically provides a simple narrative explanation, i.e., it refers to the temporal coincidence or succession of a single series of actions and events. Conversely, a periodization adopts an explanatory framework oriented to the contingent necessities generated by more than one series of events that unfold over different time horizons; it can therefore inform a complex narrative. In short, the key feature of a strategic-relational periodization is its concern with the strategic possibilities any given period gives for different actors, identities, interests, coalition possibilities, horizons of action, strategies, and tactics.

There are many bases of periodization and the criteria will vary with its object.

Progressively more concrete-complex criteria are needed, for example, to establish the internal unities of capitalism as a pure mode of production, state monopoly capitalism as a stage of capitalism, Fordism as an accumulation regime, 'flexi-Fordism' in Germany as a mode of growth, the crisis of the Keynesian welfare national state in post-war Britain as a mode of regulation, or successive steps in Thatcherism as a neo-liberal response to that crisis. Substantive purposes also make a difference. For example, in analysing particular urban movements, sometimes class struggle is crucial, sometimes less relevant. This is partly a theoretical issue; but it also depends on empirical analyses of specific periods and conjunctures.

Two complications must be noted before moving to Fordism and post-Fordism. First, if capitalism has no telos, transitions involve disjunction and relative openness. They involve relatively unstructured complexity as the old structural coherence decomposes and a search process occurs for new institutional fixes. How such superficially confusing initiatives consolidate in a coherent manner, if at all, to facilitate renewed accumulation depends on continuing struggles in a complex conjuncture. Second, since transitions between periods never involve a total rupture, path-dependent 'conservation-dissolution' effects can occur. Change may transform and re-functionalise earlier social relations, institutions, or discourses, conserving them in the new pattern; or, alternatively, may dissolve them into elements that are selectively articulated into new relations, institutions, or discourses. Neglecting these effects can easily lead one to misread relative continuity or discontinuity across different periods. That Sweden had active labour market policies under Fordism, and still does, does not imply stasis. For they were tied to full employment and redistributive regional policies; and now serve international competitiveness and labour market flexibility.

The Search for Post-Fordism

Debates once raged about the conceptual adequacy of 'post-Fordism' for

studying recent changes in growth dynamics, changing forms of competitive advantage of cities, regions, and nations as well as of firms, clusters, and economic networks, and changing forms of economic and social policy. One way to solve the disputes is to consider the role of economic imaginaries in restructuring economic and political institutions and activities and reorienting the economic and social policies pursued by the state. Let me begin by making three brief points about post-Fordism.

First, temporal prefixes (such as 'proto-', 'pre-', 'neo-', or 'post-') should invoke more than simple chronology. Taking post-Fordism, for example, one could show how it emerges from tendencies originating in Fordism but marks a break with it; and/or show how the mix of old and new elements in post-Fordism resolves or displaces one or more of the contradictions, dilemmas, or crises that weakened Fordism. This would show the primacy of discontinuity over continuity needed to justify the term *post-Fordism*. Otherwise, one might better talk of high Fordism, late Fordism, or neo-Fordism. Without at least some continuity, however, it would suffice to adopt a label that shows that the new system is *not* Fordist (e.g. Sonyism, Toyotism, and Wintelism). In this context the notion of 'after-Fordism' would merely indicate an accidental succession of such non-Fordist patterns after the period of high Fordism came to an end.

Second, it may be better for some purposes to typify the emerging economic regime by a substantive concept analogous to Fordism, such as Toyotism. These refer to new techno-economic paradigms in old or new manufacturing sectors and/or to new forms of enterprise and competition deemed superior to archetypal Fordist forms. These paradigms certainly lack the pervasive resonance in many different discourses, domains, and countries that 'Fordism' enjoyed as the Fordist labour process, mass production, and mass consumption were being consolidated. But they are certainly more fruitful than the more formal concept of post-Fordism. The same problem holds for the 'new economy', with its simplistic and overdrawn contrast between old and new. Other concepts such as the

network economy, the information economy, or informational capitalism provide a more substantive entrypoint to interpret and/or guide economic developments. This does not mean that any substantive concept is as good as another, interpretatively or practically. We must distinguish between the trial-and-error search to develop such concepts and their adequacy to a critical understanding of emerging economic forms. The concepts with the greatest resonance over time will be those that correspond most adequately to the emerging economy and/or become so influential that they play a constitutive role in its evolution.

Third, whether or not the notion of post-Fordism is currently justified as an *analytical* concept, discourses and strategies referring to post-Fordism or flexible specialization were important in responses to the crisis in/of Atlantic Fordism. Yet the initial meaning of 'post-Fordism' seemed more negative than positive, i.e., it was seen in terms of a series of moves *away* from certain crisis-generating or crisis-prone features of Fordism rather than as a move *towards* a new, positively defined and coherent mode of economic growth. There was also interest in historical alternatives (such as craft production) or current foreign models (such as the Third Italy, Silicon Valley, Toyotism, or 'lean production') – although these would often prove hard to revive or transplant. This search process also often focused one-sidedly on technical-organizational solutions, assuming that these would suffice to cure capitalism's ailments.

The search for a positive content for post-Fordism can be illuminated by Gramsci's comments on 'Americanism and Fordism' (1971). The rise of Fordism could not be secured purely through technological innovation coupled with specific changes in the labour process, enterprise forms, forms of competition, and other narrowly economic matters. On the contrary, Gramsci indicates that the rise and consolidation of a new economic regime depends critically on the exercise of political, intellectual, and moral leadership and its translation into the reorganization of an entire social formation. Building on this insight, a key factor can be said to be a new 'economic imaginary' with its own performative,

constitutive force. This involves struggles among economic, political, and intellectual forces to redefine specific economies as subjects, sites, and stakes of competition and/or as objects of regulation; to generalize new norms of production and consumption; and to identify the broader range of extra-economic conditions favourable to the 'new economy'. The key forces involved in this struggle for hegemony are organized interests, political parties, and social movements; in addition, a central role is played by the mass media rather than the public sphere in the struggle for popular hegemony in these matters.

In these terms an effective solution to the search for a meaningful 'post-Fordist' order in an increasingly integrated world market would involve an 'economic imaginary' that satisfies two interlinked demands. First, it should inform and shape economic strategies on all scales from the firm to the wider economy, on all territorial scales from the local through regional to the national or supra-national scale, and with regard to the operation and articulation of market forces and their non-market supports. And, second, it should be able to inform and shape state projects and hegemonic visions on different scales, providing guidance in the face of political and social uncertainty and providing a means to integrate private, institutional, and wider public narratives about past experiences, present difficulties, and future prospects. The more of these fields a new economic imaginary can address, the more resonant and influential it will be. It is in this context that the 'knowledge-based economy' (hereafter KBE) has emerged as an increasingly dominant and hegemonic discourse that provides the framework for broader struggles over political, intellectual and moral leadership on various scales as well as over more concrete fields of technical and economic reform. Thus the basic ideas of the KBE are being articulated on many scales from the local to the global, in many organizational and institutional sites from firms to states, in many functional systems from education and science through health and welfare to law and politics as well as the economy in its narrow sense, and in the public sphere and the lifeworld. The KBE has been translated into many different visions and strategies (e.g., smart machines and expert systems,

the creative industries, the increasing centrality of intellectual property, lifelong learning, the information society, or the rise of cybercommunities). It can be inflected in neo-liberal, neo-corporatist, neo-statist, and neo-communitarian ways (see below) and often serves as a floating signifier to unify disparate alliances.

The emergence of the KBE as the master narrative guiding the transition to post-Fordism is no innocent development. It has material and ideological roots in earlier debates on post-industrialism but gained speed in the 1980s as US capital and the US state sought an effective response to the challenge to American hegemony from the growing competitiveness of European and East Asian rivals. A growing body of academic studies, think tank reports, and official inquiries showed that the US was competitive in leading sectors of the 'knowledge-based economy' (an important discursive innovation in its own right) and prompted a deliberate and concerted campaign to make this the material and ideological basis for a new economic strategy based on extending intellectual property rights to protect and extend US economic dominance. The rationale for this continuing effort is that American economic growth and competitiveness in the 21st century will depend on creating, owning, preserving, and protecting its intellectual property. This can be seen as a neo-liberal policy for productive capital that safeguards its superprofits behind the cloak of free trade and thereby complements its neo-liberal policy for financial capital. But this strategy is also expressed in a successful hegemonic campaign (armoured by law, bilateral trade leverage, diplomatic arm-twisting, and bloody-minded unilateralism) to persuade many other states to sign up to the KBE agenda. The KBE has also been warmly embraced as a master narrative and strategy by other leading political forces – ranging from the international level (notably the OECD and WTO but also the IMF, World Bank, and UNCTAD) through regional economic blocs and intergovernmental arrangements (EU, APEC, ASEAN, Mercosur, NAFTA) and many individual national states with widely different positions in the global division of labour down to provinces, metropolitan regions, and small cities.

Like the earlier promotion of Fordism as a master narrative and strategy, the 'KBE' can be inflected differently to suit different national and regional traditions and economic interests. It can also guide economic and political strategies at all levels from the labour process through growth regimes to forms of life. Moreover, once accepted as the master narrative with all its attendant nuances and scope for interpretation, it becomes easier for its neo-liberal variant to shape the overall development of the global KBE through the sheer weight of the US economy and the exercise of US economic, political, and intellectual domination. This said, we should not neglect the scope for counter-hegemonic versions of the KBE and for disputes about how best to promote it. In both its hegemonic and counter-hegemonic versions, however, the KBE can be seen as post-Fordist in terms of the criteria set out above rather than as simply non-Fordist.

Cities and the Knowledge-Based Economy

Cities have key roles in this transition as places, spaces, and scales of economic, political, and social reorganization. These are related to disruption of the dominant Atlantic Fordist spatio-temporal fix – one organized mainly around a 'national economy' constituted and managed by a national state in the name of national citizens who also benefited from an expanding national welfare state. This fix has since been weakened by the increasing internationalization of economic activities and its impact on national states' ability to deliver full employment and social welfare through the usual Keynesian welfare measures. More generally, we can observe a relativization of scale, i.e., a decline in the primacy of the national scale of economic, political, and socio-cultural organization without the rise of a new primary scale. We now find competing strategies oriented variously to global, continental, macro-regional, metropolitan, local, cross-border, and other scales as well as attempts to reassert the primacy of national states in a new guise and with new functions. This has created the space for resurgence of the local, urban and metropolitan as sites of economic competitiveness – whether in terms of distinctive place-based advantages and/or

their capacity to insert themselves into the global 'space of flows'. This is seen in an increasing range of strategies linked to the narratives and practices of the 'entrepreneurial city', whether this is understood in terms of a networked enterprise culture, resort to place-marketing, or a simple regulatory 'race to the bottom' to attract footloose inward investment. Cities are also replacing firms as 'national champions' in international competition – with a corresponding willingness in some cases to live with the effects of the uneven development and inequality generated by new forms of interurban competition.

This repositioning of cities is part of the more general structural transformation and strategic reorientation of the Fordist economy and its Keynesian Welfare National State (KWNS) towards what I have termed the Schumpeterian Workfare Post-National Regime or SWPR (Jessop 2002). This has four key features that distinguish it *in ideal-typical terms* from the KWNS. First, it seeks to promote international competitiveness and socio-technical innovation through supply-side policies in relatively open economies. Thus, with Keynes's symbolic dethronement, today's emblematic economist is Schumpeter, the theorist of innovation, enterprise, long waves of technological change, and creative destruction. The economic policy emphasis now falls on innovation, enterprise, and competitiveness rather than full employment and planning. Second, social policy is being subordinated to economic policy, so that labour markets become more flexible and downward pressure is placed on a social wage that is now considered as a cost of production rather than a means of redistribution and social cohesion. In general, the aim is to get people from welfare into work, rather than resort to allegedly unsustainable welfare expenditures, and, in addition, to create enterprising subjects and overturn a culture of dependency. Third, the importance of the national scale of policymaking and implementation is being seriously challenged, as local, regional, and supranational levels of government and social partnership gain new powers. This is reflected in concerns to find creative 'post-national' solutions to current problems, rather than relying mainly on national institutions and networks. The urban level is especially important here

in economic and social policy. Fourth, there is growing reliance on partnership, networks, consultation, negotiation, and other forms of reflexive self-organization, rather than on the combination of anarchic market forces and top-down planning associated with the postwar 'mixed economy' or on the old tripartite corporatist arrangements based on a producers' alliance among big business, big labour, and the national state.

I argue elsewhere that these changes are linked to a fundamental restructuring and strategic reorganization of the typical postwar form of state. In telegraphic form, this shift involves three main trends: (1) a complex rescaling of the national state, with old and new state capacities being located above, below, and across national states; (2) an equally complex shift from top-down government to 'heterarchic' forms of governance based on networks and partnerships, sometimes including, sometimes excluding states; and (3) a growing internationalization of policy regimes. All three changes appear to challenge the continued vitality of the national state and to create major new opportunities for cities and regions to (re)assert an alleged autonomy vis-à-vis the national state, to promote growth coalitions, public-private partnerships, and social pacts to enhance their competitiveness and/or social cohesion, and to engage in policy learning and policy transfer through international networks and participation in international regimes. But this impression can mislead if it is not recognized that it is one particular form of the national state (the KWNS) that is currently being challenged by the transition, and not the national state as such.

What we find is the slow reinvention of the national state as state managers redefine the nature and purposes of the state in the context of this transition. Thus the three trends are actively linked to three others that reaffirm the key role of state institutions and capacities in a complex of conservation-dissolution effects. These are: (1) the increasing importance of states, especially the national state, in interscalar articulation, i.e., governing which capacities get recalibrated and rescaled; (2) an increasing role for states, especially the national state, in

meta-governance, i.e., organization of the conditions for self-organization and modulating the relative contribution of market, network, and state to the pursuit of state objectives; and (3) an increasing role for states, especially national states, in seeking to influence the design of international regimes and control their implementation (for further discussion, see Jessop 2002). And it is in this context that cities and regions are becoming major stakes and resources in the emerging economic and social policies and governance practices of the SWPR. Within this general set of transformations, there is ample scope for variation in and across national states, reflecting national political specificities as well as the relative position of their different economic places and spaces within the globalizing KBE.

The Neo-liberal Turn and Its Implications

The rise of neo-liberalism as a broad economic and political strategy was tied to *neo-liberal regime shifts* in Britain and the US in the late 1970s. Their uncoordinated market economies were less well equipped organizationally and institutionally than coordinated economies to manage Fordist crisis-tendencies and so provided more fertile ground for neo-liberalism. Similar shifts followed in Canada, New Zealand, and Australia. In contrast, various coordinated economies (including the 'Rhenish' cases and Scandinavia's social democratic economies) began *neo-liberal policy adjustments* in the 1980s and continued them into the 1990s. Then, as the Soviet bloc collapsed in 1989-1990, Western neo-liberal forces and international institutions under US leadership (with British backing) promoted a *neo-liberal system transformation* for the post-socialist economies, with equivocal (or cynical) support from domestic *nomenklatura* capitalists. Given the political, intellectual, and moral climate from the late 1970s to early 1990s and the dominance – if not hegemony – of a transatlantic neo-liberal power bloc, these three distinct types were often lumped together (enthusiastically or despairingly) as proof of the general triumph of neo-liberalism.

This conflation of different forms of neo-liberalism also encouraged neglect of their respective weaknesses. Thus, major alternatives to neo-liberal system transformation were already being promoted in the 1990s (e.g., Germany's and Sweden's attempts to remold their neighbours in their own image). Moreover, outside Poland, the Czech Republic, Slovakia, and Hungary, the much-hyped transformation increasingly took the form of a parasitic *nomenklatura* capitalism presiding over general economic collapse. Meanwhile, societies making a neo-liberal regime shift also began to face problems in pursuit of pure market forces and promoted a 'Third Way' to support and flank their own neo-liberal projects. Conversely, those economies making neo-liberal policy adjustments rarely undertook a neo-liberal regime shift. Indeed, attempts to do so were rejected by electors and/or opposed by leading economic and political forces with vested interests in prevailing production regimes. Here, adjustment involved rolling back the exceptional (or crisis-induced) state interventions that had been introduced to manage Atlantic Fordism's crisis-tendencies and advancing neo-liberal measures to reduce inflation and government deficits. However, there has been no comparable rollback of the normal (routine) forms of intervention associated with postwar growth. Instead, they have been modified to promote greater flexibility and innovation and to reinforce the welfare state's role in aiding adjustment to global pressures in small open economies. This is seen in greater continuity in institutions and modes of policymaking, even as distinctive national variants of a new mode of regulation are emerging (see below).

In the context of the transition from the KWNS to the SWPR, a *neo-liberal* regime shift promotes market-led economic and social restructuring. In the public sector, this involves privatization, liberalization, and imposition of commercial criteria in the residual state sector; in the private sector, deregulation is backed by a new juridico-political framework that offers passive support for market solutions. This is reflected in: government measures to promote 'hire-and-fire,' flexitime, and flexi-wage labour markets; growth of tax expenditures steered by private initiatives based on fiscal subsidies for favoured economic activities; measures to turn

welfare states into means of supporting and subsidizing low wages and/or to enhance the disciplinary force of social security measures and programs; and a more general reorientation of economic and social policy to the private sector's 'needs.' In addition, social partnership is rejected in favour of managerial prerogatives, market forces, and a strong state. Neo-liberals also support free trade and capital mobility. They expect innovation to follow spontaneously from freeing entrepreneurs and workers to seize market opportunities in a state-sponsored enterprise culture.

There are various forms of the SWPR, different routes can be taken towards them, and there are path-dependent as well as path-shaping aspects to trajectories and outcomes alike. Neo-liberalism is only one of many possibilities and can be contrasted with three other ideal-typical strategies: neo-corporatism, neo-statism, and neo-communitarianism.

Neo-corporatism involves a negotiated approach to restructuring by private, public, and third-sector actors and aims to balance competition and cooperation. It rests on commitment to social accords as well as pursuit of private economic interests in stabilizing a socially embedded, socially regulated economy. However, whilst Fordist corporatism involved cooperation between big business, mass unions, and an interventionist state to promote full employment and overcome stagflation, neo-corporatism reflects the diversity of policy communities and networks relevant to innovation-driven growth, as well as the increasing heterogeneity of labour forces and labour markets. It is also more directly and explicitly oriented to innovation and competitiveness. Thus, neo-corporatist networks include policy communities representing functional systems (e.g. science, health, and education), and policy implementation becomes more flexible through the extension of 'regulated self-regulation' and public-private partnerships. Compliance with state policies is voluntary or depends on self-regulating corporatist organizations endowed with public status. And – whether at local, national, or supranational level – states use their resources to support

decisions reached through corporatist negotiation. Corporatist arrangements may also become more selective (e.g. excluding some 'sunset' industrial interests and marginal workers, integrating some 'sunrise' sectors and privileging core workers); and, reflecting the greater flexibility and decentralization of the post-Fordist economy, the centres of neo-corporatist gravity shifts to firms and localities and away from centralized macroeconomic concertation.

Neo-statism involves a market-conforming but state-sponsored approach to economic and social restructuring whereby the state seeks to guide market forces in support of a national economic strategy. This guidance depends heavily on the state's deployment of its own powers of imperative co-ordination, its own economic resources and activities, and its own knowledge bases and organizational intelligence. Compared with the statist form of the KWNS, however, international competition is defined differently. This is a Schumpeterian view based on dynamic competitive advantage rather than on Ricardian static comparative advantage or catch-up investment in a protected, mercantilist economy. There is a mixture of state-driven decommodification, state-sponsored flexibility, and other state activities to secure the dynamic efficiency and synergistic coherence of a core productive economy. This is reflected in an active structural policy that sets strategic targets relating to new technologies, technology transfer, innovation systems, infrastructure, and other factors affecting international competitiveness broadly understood. The state also favours an active labour market policy to re-skill labour power and encourages a flexiskill rather than flexiprice labour market. It guides private-public partnerships to ensure that they serve public as well as private interests. Whilst the central state retains key strategic roles, parallel and complementary activities are also encouraged at regional and/or local levels. However, the central state's desire to protect the core technological and economic competencies of its productive base is often associated with neo-mercantilism at the supranational level.

Neo-communitarianism emphasizes the contribution of the 'third sector' and/or the 'social economy' (both located between market and state) to economic development and social cohesion, as well as the role of grassroots (or bottom-up) economic and social mobilization in developing and implementing economic strategies. It also stresses: the link between economic and community development, notably in empowering citizens and community groups; the contribution that greater self-sufficiency can make to reinserting marginalized local economies into the wider economy; and the role of decentralized partnerships that embrace not only the state and business interests but also diverse community organizations and other local stakeholders. This strategy focuses on less competitive economic spaces (such as inner cities, deindustrializing cities, or cities at the bottom of urban hierarchies) with the greatest risk of losing from the zero-sum competition for external resources. Against the logic of a globalizing capitalism, the social economy prioritizes social use-value. It aims to redress the imbalance between private affluence and public poverty, create local demand, re-skill the long-term unemployed and reintegrate them into an expanded labour market, address some of the problems of urban regeneration (e.g. in social housing, insulation, and energy-saving), provide a different kind of spatiotemporal fix for small and medium-sized enterprises, regenerate trust within the community, and promote empowerment. This involves co-ordinated economic and social strategies across various scales of action and, ideally, some form of minimum income guarantee.

All four strategies involve some rescaling of the mode of economic regulation but they can also be combined in a new scalar division of labour. For example, reduced state intervention at the national level may be linked to its roll out at local or supranational levels. This has obvious implications for the urban level, where key issues of competitiveness, labour market flexibility, and social policy intersect, and where new supply-side orientations may permit differential economic and social policies and perhaps – notably under neo-liberalism – produce uneven development. Thus, even where attempts to promote a neo-

liberal regime shift dominates at the national and international levels, the urban level may be more marked by neo-corporatism, neo-statism, and neo-communitarianism. Indeed neo-communitarian policies are often used to manage issues of social exclusion and social cohesion at the urban level even in the most strongly neo-liberal cases. The resurgence – or (in southern Europe) the rise – of 'social pacts' in the European Union also reflects the multiscale nature of the changing world economy and its repercussions on national economic and social policy. Overall, this requires attention to how these four approaches to post-Fordist restructuring for the KBE are combined in 'actually existing' strategies or projects and, in particular, how different approaches may acquire different weights at different scales within the same strategy or project. There is certainly no good reason to expect the same broad approach to dominate at all levels, and there are several good reasons why more complex and complicated pictures might emerge.

Neo-liberalism and Cities

The impact of the neo-liberal turn on cities (and some of the above-noted complications) is indicated in the *World Report on the Urban Future 21* (World Report 2000; see also Hall and Pfeiffer 2000). This was written by a 'World Commission' of the 'great and good' moderated by Peter Hall, the distinguished professor of urban planning, for Urban21, a grand international conference held in Berlin in June 2000. Whilst no single report can fully represent current thinking on urban governance, this one offers useful insights into the naturalization of neo-liberalism and its implications for cities.²

All four of the distinctive features of the SWPR figure in the *World Report* and it is especially interesting to see how they are linked to cities and their future. First, cities are regarded as engines of economic growth, key centers of economic, political, and social innovation, and key actors in promoting and consolidating international competitiveness. Moreover, with the transition to a postindustrial

era, the rise of the KBE, and the increasing importance of the information society with its requirements for lifelong learning, cities are seen as even more important drivers for innovation and competitiveness than before. The authors identify different types of cities based respectively on informal hypergrowth; on dynamic innovation and learning; or the declining cities of an outmoded Fordist model of growth. They also recommend different responses for each but these involve different adaptations of the neo-liberal programme to the same challenges.

Second, in line with the familiar neo-liberal critique, welfare states are seen as costly, overburdened, inefficient, incapable of eliminating poverty, overly oriented to cash entitlements rather than empowerment, and so on. The report argues that, where it already exists, the welfare state should be dismantled in favour of policies that move people from welfare into work, link social and labour market policy, and provide incentives to learn and/or prepare for a new job. Conversely, where they have not yet developed, welfare states should be discouraged in favour of family, neighborhood, informal, or market-based and market-sustaining solutions to the problems of social reproduction. States should not try to provide monopoly services but should contract them out or introduce internal competition. In hypergrowth cities, for example, we find a call to revalorize the informal economy and/or the social economy and neighborhood support mechanisms as means to tackle social exclusion. In more dynamic or mature cities, the report recommends other projects to produce 'active and productive citizens' who will not burden the state or demand entitlements without accepting matching responsibilities. Thus, education and informal self-help are the key to survival and sustainability and, in principle, education should be open to all. Cities should develop their stock of indigenous 'human capital' and their local labour markets to promote local wellbeing and international competitiveness.

Third, the *World Report* recognizes the emerging crisis of the national scale of economic, political, and social organization, the enhanced importance of the global level (especially in the form of a still emerging 'single global urban network')

that cross-cuts national borders), and the resurgence of the local and regional levels. Its response is to promote the principles of subsidiarity and solidarity. Problems should be resolved at the lowest level possible, but with capacity-building and financial support from national administration. This requires integrated action between various levels of government, with an appropriate allocation of responsibilities and resources. Unsurprisingly, the report envisages a key role for cities in managing the interface between the local economy and global flows, between the potentially conflicting demands of local sustainability and local well-being and those of international competitiveness, and between the challenges of social exclusion and global polarization and the continuing demands for liberalization, deregulation, privatization, and so on.

Fourth, there is a strong emphasis on partnership and networks rather than top-down national government. Thus, in addition to subsidiarity and solidarity across different scales of economic, political, and social organization, the report also calls for partnerships between the public and private sectors and between government and civil society. Such partnerships should nonetheless work *with* the grain of market forces, not against it. In addition, they should involve not only actors from the market economy but also NGOs, religious groups, community-action groups, or networks among individuals. Promoting partnerships requires a retreat of the state (especially at national level) so that it can do well what it alone can do. Nonetheless, the latter tasks do include steering partnerships and moderating their mutual relations for 'the maximum welfare of all the people.' This is seen in the *World Report's* call for 'good governance, seen as an integrated effort on the part of local government, civil society and the private sector.'

In making these comments, I do not claim that those involved in producing the *World Report* are conscious advocates of neo-liberalism in either its initial 'red in tooth and claw' version or its current 'Third Way' variant. Some may be; others are not. More interesting is how this document implicitly endorses neo-liberalism as it describes recent economic and political changes, ascribes responsibility for

them, and prescribes solutions for resulting problems. In this sense, it is a deeply ideological document and contributes to the 'New World Order' by sharing in a 'new word order' (Luke 1994: 613-15). For ideology is most effective when ideological elements are invisible, operating as background assumptions that lead the text producer to 'textualize' the world in a particular way and lead interpreters to interpret the text in a particular way (Fairclough 1989: 85).

Moreover, alongside its diagnosis of the failures of previous modes of economic growth and urban governance in different types of city, said in each case to justify neo-liberalism, the *World Report* recognizes that neo-liberalism has its own limits and generates major social tensions. Its authors recognize the need to re-embed neo-liberalism in society, to make it more acceptable socially and politically, and to ensure that it is environmentally sustainable. Yet they make minimal concessions to the forces that oppose neo-liberalism and instead advocate different sets of strategies to support and complement the neo-liberal project. Thus the proposals for the informal, weakly regulated, and vulnerable hypergrowth cities of the developing world combine neo-liberalism with a strong emphasis on mobilizing popular energies, the informal or social economy, and communitarian values. In these cities, then, the *World Report* ascribes a key role to neo-communitarianism in sustaining neo-liberalism. No such dilution is recommended for the mature but declining cities of the Atlantic Fordist regions: they must take their neo-liberal medicine. A different prescription again is offered for dynamic East Asian cities. This comprises a mix of neo-liberalism with public-private partnerships to improve the infrastructure and policy environment for international as well as local capital. Here the developmental state is allowed to remain proactive, provided that it is rescaled and becomes more open to world-market forces. In no case is there a challenge to the wisdom of the 'accumulated knowledge and experience' noted by the *World Report* that market forces provide the best means to satisfy human wants and desires and that, provided they are steered in the right direction through good governance, they can also solve the most pressing problems facing humankind in the new century.

Conclusions

This chapter has covered much ground from a great theoretical height. It posed a series of questions about how best to conceive 'urban mutations' through a distinctive ontological, epistemological, and methodological approach to periodization and its application to more general transformations in capitalist societies. For the purposes of this book, it is worth drawing three conclusions and noting three qualifications to my all too brief analysis. The first conclusion is that periodization is not the only way to write history or study historical transformation. It is useful for some purposes but not for all; and, even where it is appropriate, the same criteria and the same periods will not hold for all theoretical inquiries. Periodization is better seen initially as a method and its results will vary with the cases chosen for scientific inquiry or practical interventions. Second, given its emphasis on identifying relative discontinuity in the flow of historical time, it does seem valid to posit a rupture in economic development during the 1970s and 1980s prompted by crises in/of the postwar Atlantic Fordist mode of growth in the advanced capitalist economies and its associated modes of regulation and governance. This is reflected directly and indirectly in the economic, political, and socio-cultural development of cities. And, third, a key aspect of these urban mutations is their growing integration into a wider trend towards neo-liberalism both as a general discourse and a distinctive set of practices.

But each of these conclusions must be qualified. First, while it is tempting to emphasize discontinuity in dividing the seamless flow of events into distinct periods, we must be sensitive to relative continuity, to conservation-dissolution effects, and to path-dependency. This holds both generally as an inherent feature of periodization and specifically when addressing individual cases and comparisons. Second, it is also tempting to take ideal types, stylized models, and typologies as equally valid and applicable to all cases and to ignore the need to employ them heuristically in a critical manner. We should not argue directly from

ideal types, stylized models, and typologies to specific cases. The use of terms such as Fordism and post-Fordism has too often been cavalier and uninformed, leading to neglect of major differences in and across the advanced capitalist economies (let alone other economies). In particular, given the current focus on cities, we should not assume that all cities in a predominantly Fordist national economy can also be characterized as Fordist. And, third, while noting the general neo-liberal turn in the 1980s and 1990s, we should also distinguish between its different forms, between rhetoric and reality, and between its survival and/or the search for alternatives to a neo-liberal future for cities. It is here that the neo-corporatist and neo-communitarian experiments in Denmark are especially thought-provoking for observers in the anglophone world.

Endnotes

¹ The arguments below are drawn from a long research project on the future of capitalism and a short chapter cannot do justice to the complexities of my analysis. So readers are urged to look at the theoretical and empirical synthesis of these ideas in Jessop (2002).

² This report provoked a response from a Berlin-based tenants' organization, drawing on its own range of national and international policymakers, advisors, and academic experts, which attempted to denaturalize what the *World Report* sought to naturalize. See Eick and Berg (2000).

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