

# Introduction: Neoliberal Globalization, Urban Privatization, and Resistance

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**I**NCREASED ECONOMIC TIES BETWEEN NATIONS OFFER MANY POTENTIAL BENEFITS, SUCH as expanding the availability of goods and services and employment opportunities available to people and their communities. The expansion of economic ties between nations, however, has resulted in the emergence of a neoliberal model of global capitalism that serves to enrich powerful corporations at the expense of workers and ordinary citizens, while increasing social, political, and economic inequalities between nations. Although the neoliberal model has been embraced by political and economic elites in the global North and South, the International Monetary Fund (IMF) and World Bank have often externally imposed it in the South as a condition for obtaining a development loan.

In a previous special issue of *Social Justice*, “Justice for Workers in the Global Economy” (Vol. 31, No. 3, 2004), we explored how and why neoliberal globalization has unleashed a national “race to the bottom,” resulted in the diminishing of workers’ employment opportunities and the erosion of working conditions for workers, and made it more difficult for workers to organize in a variety of national contexts. In this issue, we continue to explore the danger of neoliberal globalization regarding such social issues as the privatization of housing, economic welfare, security, and the delivery of goods and services.

The articles in this special issue grew out of a research workshop organized by members of the International Network for Urban Research and Action (INURA) during the organization’s annual conference held in Berlin, Germany, in 2003. The thematic focus of the articles in this issue was explored more fully at an international conference, “Urbanization and Privatization: A Transnational Research Project Workshop,” organized by Dr. Roger Keil and other INURA members and held at York University in Toronto, Canada, in 2004. Many of the articles in this issue are written by participants in the two conferences.

## Neoliberal Ideology

Proponents of neoliberal ideology argue that “open, competitive, and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development” (Brenner and Theodore, 2002: 2). Yet,

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while neoliberal ideology criticizes state intervention, actual neoliberal policies and practices involve “coercive, disciplinary forms of state intervention in order to impose market rule upon all aspects of social life” (*Ibid.*: 5). Such policies and practices are complex, contradictory, and contested, and operate at multiple levels of governance. In an effort to clarify how neoliberal policy has developed, Peck and Tickell (2002) identify two interrelated phases or processes: “roll-back neoliberalism” and “roll-out neoliberalism.” “Roll-back neoliberalism” refers to “the active destruction or discreditation of Keynesian-welfarist and social-collectivist institutions (broadly defined)” (*Ibid.*: 37). This process involves the retreat from previous governmental control of resources and state regulations, including public services, nationalized industries, and labor and social rights. Also known as *privatization*, it is the “sharing or delegating of authority to non-governmental agents” (Handler, 1996: 78–80). Privatization takes many forms, including the sale of public assets, voucher programs, deregulation, cutbacks in public services, and the contracting out of those services to for-profit and nonprofit agencies.

The second neoliberal process, “roll-out neoliberalism,” refers to “the purposeful construction and consolidation of neoliberalized state forms, modes of governance, and regulatory relations” (Peck and Tickell, 2002: 37). “Roll-out neoliberalism” involves the creation of new trade and financial regulations by international governance institutions, such as the World Trade Organization and the IMF. It also involves socially interventionist policies and public-private initiatives that are paternalistic and punitive, such as “anti-panhandling” ordinances, the militarization of the U.S.-Mexico border, new drug laws, and welfare-to-work programs; these policies and programs seek to discipline, criminalize, and control poor and marginalized social groups, who experience the brunt of the effects created by “roll-out” neoliberalism. Articles in this issue clearly show that these interrelated processes of neoliberalism have greatly diminished the rights of ordinary citizens, particularly low-income people and other disadvantaged groups, such as immigrants, racial minorities, and single mothers.

### **Economic Welfare and Municipal Services**

Contributions to this section discuss how neoliberalism in the global North and South has undermined workers’ economic rights and their rights to basic goods and services. Alan Emery’s case study traces the history of the struggle of South African black workers for collective bargaining rights, civil rights, and political rights from the 1970s to the present. Despite the end of apartheid rule, Emery argues that South Africa’s neoliberal model of economic development frustrates black workers’ long-standing dreams of substantive equality and social rights. Markus Wissen and Matthias Naumann’s case study examines the perils associated with the privatization of water distribution within East German municipalities, where population declines challenged the technical and financial capacities of public water agencies. According to Wissen and Naumann, even when privately managed

water companies remain under public control, they were reshaped by the neoliberal logic of infrastructure supply. Decisions about water distribution are increasingly oriented toward profit and technocratic concerns, undermining local democracy and the treatment of water as a public good.

Advocates of neoliberalism claim that tighter regulations and greater reliance on private agencies will improve welfare services. However, findings from our two case studies, which focused on public-private welfare partnerships in London and Milwaukee, suggest otherwise. Ellen Reese, Vincent Giedraitis, and Eric Vega highlight the failures of such policies to adequately help poor people, especially low-income women of color. **Reese et al. document how in seeking profits and due to lax oversight private service agencies in Milwaukee County (USA) misused public funds and unfairly denied welfare services to needy families, most of whom were headed by low-income African-American women. Similarly, Tracy Fisher's essay documents the efforts of a state-funded, community-based organization in London to assist and empower low-income women of color in their struggle to obtain employment, adequate housing, and basic services within a declining welfare state. The demise of this organization and the demolition of a public housing project highlight the human vulnerabilities associated with Tony Blair's "Third Way."**

### **Security**

The articles in this section explore how security concerns are mingled with safe-and-clean programs to identify, control, discipline, contain, or expel the “undesirables” in urban and non-urban environs. Proponents of neoliberalism argue that the state is limited in its ability to provide public security, thus enhancing the need for private security. Private security has become a prominent concern in the neoliberal era—one that focuses on protecting goods and services, as well as the movement of ordinary citizens in public spaces. Volker Eick's German case study highlights the importance of private security companies to urban elites. Eick demonstrates how urban elites utilize “rent-a-cops” in German housing complexes to function as migration management and anti-union agents. Similarly, Ryan Hollon, Nina Martin, and Nik Theodore argue that in Chicago, private security companies police public spaces with a focus on social control. According to Hollon, Martin, and Theodore, the exploitation by private security companies of new technologies, low-wage labor pools, and rising safety concerns has transformed neoliberal urban governance into for-profit purposes.

### **Housing and Urban Development**

Critics of neoliberalism argue that neoliberal policies are a guise for the use of the political state by wealthy individuals and corporations to increase their share of valued resources in a global society. Adalberto Aguirre and Frances Vu discuss the use of eminent domain by government to seize property in order to promote

private development interests. Aguirre and Vu provide an overview of *Kelo v. New London*. To illustrate the case's implications for homeowners, Aguirre and Vu offer a case study of redevelopment efforts in Riverside County in California. In a discussion of urban renewal in East Berlin, Andrej Holm argues that urban renewal in **Prenzlauer Berg after 1990 was driven by two transformation processes: (1) the shift from socialism to capitalism, and (2) the German variation of incorporating an Eastern society into a Western political system.** As a result, Holm argues that urban renewal in East Berlin contains features of "roll back" and "roll out" neoliberal policy since it is characterized by the privatization of investment, the emergence of market processes, and a retreat from social housing policy. Beatriz Garcia Peralta Nieto examines the emergence of new gated communities in Mexico City as the result of neoliberal policies focused on providing housing for salaried workers in Mexico. According to Nieto, the construction of gated communities reflects a change in Mexican social policy that increases the profit margins of private development companies, fails to meet the needs of many low-income workers, segregates residents, and disconnects them from the urban fabric and services.

### **Resistance to Privatization**

In the process of neoliberalizing British society by following the U.S. example, Margaret Thatcher stated that "there is no alternative." Since then, "TINA policies" have become well known as the neoliberal rollback of Keynesian adjustments developed since the 1950s. Contributions to this section show that alternatives always exist, as do people who resist neoliberalization and develop practical alternatives to the global devastations of neoliberalism on the local scale. Specifically, Ute Lehrer and Andrea Winkler focus on an action group in Toronto, Ontario, that challenged the housing crisis by squatting in a house in a slowly gentrifying area during the Pope's visit to Toronto. John Krinsky discusses how residents and nonprofits in New York City have opposed workfare policies since the mid-1990s. Krinsky stresses the possibilities and limitations of urban movements, emphasizing how challengers of workfare policies simultaneously reinforced and contested the terms upon which neoliberal elites implemented those policies. Paul Almeida and Eric Walker discuss the impact of protest campaigns against the implementation of neoliberal policies in Costa Rica, Guatemala, and Nicaragua. Taken together, the articles by Lehrer and Winkler and Almeida and Walter highlight the importance of public opinion, as well as the breadth of mobilization for winning campaigns and the integration of opposition political parties for successful social movements.

### **Summary**

The articles in this issue highlight the challenges of resisting neoliberal policies and the conditional nature of effective resistance. Nevertheless, the authors also clarify that neoliberalism is not, as is constantly stated, without an alterna-

tive. Instead, it is a highly contested terrain, with opportunities for a better life. We hope, therefore, that this special edition of *Social Justice* offers theoretical and empirical insights for further fruitful debates and successful practice against neoliberal globalization.

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