Neoliberalism is a widely used in social science to refer to processes such as privatization, deregulation, commodification, and austerity. Quite often in this interpretative framework, neoliberalism is also associated with the dismantling of the welfare state, the opening up of free trade and investment, and an increased emphasis on the private sector. In the academic discussion, various authors criticize the use of the term because it lacks analytical clarity and/or is used as a political slogan to denounce social and economic change. The aim of the article is neither to question the analytical dimension nor to develop an irrefutable definition, but to provide insight into the strength of a place- and time-sensitive discussion of neoliberalism.

Keywords: Urban Development, MENA, Variegated Neoliberalism, Neoliberalization

Introduction
Many analyses of urban neoliberalism identify market-driven reorganizations of public space, policy, and politics. These contributions usually aim at explaining changes in everyday life in their connection with neoliberal policy and politics. Sometimes they give the impression that, even before the analysis starts, neoliberalism is already taken for granted, and the categories used only confirm this perspective. Neil Brenner, Jamie Peck, and Nik Theodore moreover identify a tendency in the debate to portray neoliberalism as “predetermined, universalizing, territorially immobilized, and rigid” (201). Many authors notice a lack of more sophisticated structural analyses that accommodate variation, or variegation (Collier 188; Ong). Thus, conceptual and theoretical contributions to the debate on urban neoliberalism are not very frequent. Seen from this angle, it is not surprising that various authors criticize the use of the term because it lacks analytical clarity (Collier) and/or is used to denounce social and economic change (Willgerodt). The question then is whether it makes sense to use the term analytically and, if so, when and why can something be described as neoliberal? This is not easy to answer, because a tool kit for neoliberal urbanism does not exist. This is no surprise, considering the
variegated answers to local restructuring. From this perspective, an analysis requires the examination of ambivalences and breaks within neoliberalism. To understand the diversity of political answers, on the one hand, and, on the other hand, to strengthen our understanding of neoliberal transformation processes, the following contribution aims at a theoretical and conceptual discussion of neoliberal thinking and development in order to give an answer to the confusing complexity of urban neoliberalism.

It makes sense to start with the historical foundations of neoliberal thinking. This means, first, to explore the path-dependent development of different strands of neoliberalism. A discussion of neoliberalism as a process rather than as a condition will follow. Taken together, I will explore a logic of governing that migrates and is selectively taken up in diverse political contexts and urban settings. The overall intention is to provide insight into the strength of the debate on neoliberalization as a place-sensitive and process-oriented analysis. Considering that much of the discussion of neoliberalism and urban neoliberalization is coming from the global North, the question is ultimately what neoliberalism or neoliberal urban development means for the MENA region.

Origin of the Debate: Schools of Neoliberal Thinking
Neoliberal thinking was never a straightforward success story or a one-dimensional way of thinking (Peck). Nor was it a return to 19th-century laissez faire ideology. The development of neoliberal thinking was more a meandering project starting in the 1930s as “an experimental and polycentric project aimed at the contradictory problem space between the state and the market” (Peck 4). At that time, neoliberal thinking was marginal and consisted of diverse conceptual approaches; according to Jamie Peck, “it did not rest on a set of immutable laws, but a matrix of overlapping convictions, orientations and aversions, draped in the unifying rhetoric of market liberalism” (6). Important strands were the Chicago School of Economics (van Horn and Mirowski) and the Ordoliberalism of the German Freiburg School (Ptak). What connects these schools of thought is that its protagonists, such as Friedrich Hayek, Ludwig von Mises, Walter Eucken, Wilhelm Röpke, Milton Friedman, etc., were embedded in the academic and political environment of Europe and North America – so, it is clearly a Western thinking claiming to propound truth to the whole world.

While the Chicago School assigns the state a role in ensuring a free market economy, in Ordoliberalism the state has to initiate and ensure a competitive order. The state must create a proper legal environment for the economy and safeguard competition against firms with monopoly (or oligopoly) power, which will in the long run undermine the advantages offered by the market economy. For Walter Eucken, one of the central figures of Ordoliberalism, a humane and functional order was the major concern. According to him, economic development must go hand in hand with social security as a precondition for political and economic stability. Thus, economic performance and regulatory interventions, on the one hand, and social...
security and political freedom, on the other hand, are two sides of the same coin. However, this stabilizing function of the state should go without intervening directly in economic spheres. Eucken coined the slogan “State planning of forms – yes; state planning and steering of economic processes – no” (Peters).

Scientists at the University of Chicago also agreed in its early pre-war years that the maintenance of a market system requires the exertion of state powers. In that sense, Ordoliberalism and the Chicago School shared the view that it was necessary to re-engineer the state around the ideal of a market order. Peck writes, “Laissez-faire was not a ‘do-nothing policy’, but in fact necessitated a ‘positive’ role for the state, in maintaining competitive conditions, controlling currencies, protecting property rights, curbing monopoly power and (even) maintaining social welfare […]” (16).

However, although in the early years of the school, the state was perceived as necessary for promoting a free market, political control was denounced. So on a temporary basis, state intervention was justified because a successful market system is not a natural effect in passing but needs a sound framework to function. This changed after World War II. Milton Friedman, in particular, revolutionized neoliberal thinking by reframing the state. In his theoretical work, he flattened the state/market distinction by postulating, “[…] the state was merely an inferior means of attaining outcomes that the market could provide better and more efficiently […]” (van Horn and Mirowski 162).

From this perspective, the state is in competition with market actors. Accordingly, the task of the state should consist in protecting property rights and safeguarding monetary stability by means of the Federal Reserve Bank. Moreover, it should actively engage in cutting social program funding; privatizing state companies, education, and public services; eliminating price controls; liberating trade; deregulating financial markets and capital flows; and reforming the labor sectors and the tax system. According to the Chicago School, the state has the task to meet the interests of market participants. As Friedman notes in his book Capitalism and Freedom: “The wider the range of activities covered by the market, the fewer are the issues on which explicitly political discussions are required.” (15)

The aim of discussing Ordoliberalism and the Chicago School of Economics was to show, first, that neoliberalism is not synonymous with 19th-century laissez faire ideology, but is an independent way of thinking. Secondly, neoliberalism is not a self-contained mindset, but consists of different schools, ideas, conceptions, and opinions. Third, neoliberalism does not just arise. It needed a long struggle to establish itself. However, considering that neoliberalism comes in different shapes: what does this mean for the murky everyday policy and politics of urban development? To answer this question, the next sections will deal with neoliberalization as a place-specific process of implementing the neoliberal program. There is no one program, but neoliberalization is a permanent struggle to adapt reform, and innovate neoliberalism in practice.

Implementing Neoliberalism: Neoliberalization

Although the ambitions to reformulate a coherent neoliberal theory and agenda started in the 1930s, neoliberalism only gained prominence in the late 1970s and early 1980s. An explanation for this is that the belief in the welfare state, economic growth, and prosperity began to crumble with the global economic crisis in the 1970s. This is the case not only in the global North, but also in the South. Tim Mitchell describes the declining trust in Socialism à la Nasser and harsh economic conditions under Sadat triggering a change in economic policies in Egypt (Mitchell).
The Keynesian policy of compensating a shortfall of demand did not help to deal with such challenges as rising unemployment, widespread economic deindustrialization, growing impoverishment, etc. Instead, demand policy remained largely ineffective, but contributed to increasing public debt and undermined confidence in the future viability of redistributive policies. Taken together, decreasing confidence in the effectiveness of interventions and demand management opened the door for neoliberal arguments. Political changes started in the US under the presidency of Ronald Reagan (1981-1989) and in the UK under Margaret Thatcher (1979-1992). However, even before the free-market philosophy became the dominant economic ideology in the US and UK, neoliberal policy was introduced in Chile. This started during the dictatorship of Augusto Pinochet (1973-1990). With help from the “Chicago Boys”, that is the Chicago School of Economics, in the period from 1975-1982 the regime introduced an extremely orthodox neoliberalism to drive economic development (Davis-Hamel). So, Chile, the US, and the UK as role models helped to develop neoliberalism into the dominant global ideology since the 1970s.

Crisis phenomena as catalysts of neoliberal reorganization were particularly visible and felt in cities as sites of industrial centers. Neoliberal policy with its orientation toward open markets and abandoning price controls affected manufacturing by triggering plant closure and deindustrialization. From the 1970s up to the 1990s, cities experienced a deindustrialization and an accompanying economic downturn resulting in high unemployment and dependency on welfare (Bluestone and Harrison; Häußermann and Siebel; Adham). As an effect, many cities felt obliged to adapt to new forms of policy that David Harvey (Harvey) coined as urban entrepreneurialism. Modes of expression were an initially hesitant and then - in many cities - broad transition to neoliberal initiatives. The idea of competition and free markets gained prominence in urban policy. These ideas have a strong economic orientation and include a dismantling of the welfare state and of distributive policies, as well as a transition toward new orthodoxies of policy discourse and practice including fostering individual responsibility, employability, and empowerment. Although it can be argued that these changes work across all spatial scales, the urban scale is particularly central.

Cities are the arena of intensifying competition, new economic initiatives, and conflicts over the locational strategies of transnational corporations, urban marketing, speculative exploitation of the urban built environment, and the reorganization of growth alliances (Heeg). Thus, cities have been battlegrounds for establishing new understandings of urban governing in the context of constrained financial possibilities and heightened economic uncertainty.

Although deindustrialization affected cities, cities have also been sites of wealth creation and economic growth in leading economic sectors in the last 30 to 40 years. As space for the FIRE sector (finance, insurances, and real estate) and business services, cities have become nodes of combined processes of global integration and regional concentration of economic activity (Sassen; Storper, and Scott). However, these sectors have been benefiting from trade liberalization, financial deregulation, and market opening - that is, policy measures from the neoliberal tool kit - and contributed to social disintegration, exclusion, and a dramatically uneven spatial development in and between cities (Sassen; Kronauer). Already in the 1980s, cities were places of local economic initiatives to renew growth
from below. Whereas these initiatives often tried to maintain established socio-political orders while fostering new dynamic sectors, from the 1990s on, attacks on traditional alliances and socioeconomic initiatives became widespread in order to unleash growth potentials. Cities are now the arena for the privatization of state companies, for security strategies, for a marketization of public services, and for a commercialization of public space as dominant development paths. Parallel to the transformation of the economic pattern, neoliberalism also accompanied a significant reallocation of economic coordination and steering functions, away from the sovereign state down to the regional and urban levels (Brenner). In this sense, both processes - economic regionalization and the rescaling of the state - are embedded in processes of neoliberalization and contributed to an increased importance of cities after Keynesianism and Fordism. Cities are places of change, adaptation, and reform, of conflict and upheaval, and, as such, laboratories of social, economic, and political transformations. They are places where new economic, social, or political ideas are introduced and tested.

Although it seems that these processes have taken place from the 1970s on and are now stabilized, neoliberal reform agendas are not limited in time but represent an ongoing destruction and reshaping of the political-economic space. To avoid analyzing neoliberalism as a “big Leviathan” (Collier), that is a macro-structure, explanatory background, or overriding argument against which other things are understood, it is necessary to apply a place-specific perspective. Neoliberalism is a logic of governing that travels and goes along with different actor networks and diverse political contexts (Ong).

This implies the need to stress neoliberalization as a path-dependent and crisis-driven development (Theodore et al.). As a term, neoliberalization highlights the ongoing changes in urban contexts and policy as attempts to foster neoliberal remedies, but also to develop answers to ongoing contradictions, crisis, and failures in the neoliberal reshaping of the urban situation. There is a deep rift between neoliberal ideology (either Ordoliberal or Chicago style) and its social and economic effects, namely increasing social inequality in more and more countries and cities (Wehler; Brandmeir et al.; Mitchell; Fahmi). However, it is necessary to keep in mind that crisis tendencies and social problems as an effect of neoliberal politics have been handled differently in different places. This handling implies distinct attempts to reshape the urban situation and to apply neoliberal measures in order to react to challenges of neoliberal restructuring.

In this respect, “neoliberalism is conceptualized not as a fixed set of attributes with predetermined outcomes, but as a logic of governing that migrates and is selectively taken up in diverse political contexts” (Ong 3). Jamie Peck and Adam Tickell offer a stylized attempt to analyze the ongoing transformation of neoliberal experimentation between destructive and creative moments of liberalism. They identify two waves of neoliberal transformation that they dub roll-back and roll-out neoliberalism (“Conceptualizing”). Rollback neoliberalism was in the period in the 1980s when deregulation and dismantling the welfare state was the dominant form of development. This consisted in an active destruction of the Keynesian welfare and social collective institutions. For Egypt as part of the MENA region, this meant privatizing former state companies, rescinding price controls, ending housing programs, and supervising labor relations and trade unions (Joya; Mitchell; Adham; Cox). Roll-out neoliberalism, in contrast, presupposes that Keynesian institutions have already been forced back and that new
modes of social and penal policy-making is taking place in response to social problems, due to neoliberal restructuring in the wake of neoliberalism (Anderson). This is based on an aggressive deregulation that includes modes of disciplining, but also placing responsibility on individuals (“Space”).

While the terms rollback and rollout neoliberalism help to differentiate between phases of neoliberalism, it is also necessary to point to differences between national, regional, and urban neoliberals. Regarding urban development in the MENA, it is important to take note of the production of such new spaces as gated communities, malls, and theme parks. These spaces have helped to transform urban economies in a way that mirrors new elite consumption. An example of this is Cairo, where public land was transferred to private ownership and then used to build luxury condominiums, particularly at the edge of the city (Adham). Meanwhile, poor households where forced into an informal expansion of old areas and squatting. As a form of spatialized Egyptian roll-out neoliberalism, there are attempts to clear the city of informal settlements (Amjahid). Components like parks serve to rebuild parts of the city in exclusive zones, excluding the poor and have-nots (Madoeuf). This urban development and the accompanying politics characterize cities in the MENA where the only options for poor households to acquire a place to live are to squat and/or to build without formal approval. In many cities in the global North, in contrast, informal housing is prohibited and suppressed. The general aim of such strategies is to realize urban regeneration as a spatial economic restructuring of city neighborhoods by reinvesting in disinvested spaces (Porter). The city is to be reclaimed from its formerly poor inhabitants and to be given to wealthier households. In this sense, cities in MENA and in the global North are quite similar - but the strategies and contexts for achieving this goal vary.

Outlook
Taken together, neoliberalism is a governing logic that is affecting and shaping cities in the global North and South. Neoliberal policy has travelled around the globe during the last 30 to 50 years. As an effect, cities in MENA are not out of the world, but are exposed to similar measures and policy instruments as cities in the global North. Neoliberal policy has travelled around the globe during the last 30 to 50 years. As an effect, cities in MENA are not out of the world, but are exposed to similar measures and policy instruments as cities in the global North. However, several differences have to be taken into account in order to engage in a place-, space-, and time-sensitive analysis. That means being attentive and open-minded about local specificities and political pathways.

Patricia Martin argues that, in many countries in Latin America, military dictatorships and military governments were a precondition for the forced introduction of neoliberalism (Martin). These governments have - quite often violently - eradicated alternative ideas and concepts to handle the economic crisis in countries of the South. It is worth thinking about the relevance of this argument. In Western Europe and North America, that is, the heartlands of neoliberal thinking, governments were elected with the promise to implement neoliberal concepts. Neoliberal policy was adopted in the context of fierce discussions about the right and appropriate way out of economic crisis. However, even in the global North, there are countries where it is disputable whether decisions are democratically legitimated. Examples of this are Greece or Portugal where the Troika (the European Union, International Monetary Fund, and European Central Bank) has succeeded in the context of the European “debt crisis”, dictating harsh neoliberal cuts (in pensions, welfare measures, privatization of state enterprises, etc.) (Vaiou). In the MENA, many governments, such as Egypt, Saudi Arabia, and the Emirates, etc., have been and are still authoritarian regimes. Decisions about urban development and
economic, labor, and health policy are made under authoritarian rule.

However, not only governments imposed their will; international reform projects, most notably structural adjustment programs, also had a say. The neoliberal economic model was actually extended to countries in MENA through Washington-based developmental institutions, namely, the International Monetary Fund (IMF) and the World Bank, which offered loans in exchange for neoliberal reforms, most notably, but not only privatization and an end to price controls. Tim Mitchell notes that, in the late 1980s, USAID and the IMF succeeded in imposing restructuring policies that removed price subsidies, privatized state companies, and pushed a policy reorientation toward exports as the solution to the country’s economic problems (Mitchell).

Another difference is the influence of international donor and development organizations that introduced Good Governance in MENA and other countries of the South. The concept of good governance pushed forward by the World Bank and IMF has contributed to a rescaling of political control and/or to the participation of new actors in order - as was argued - to counter government misrule. Limiting the state was seen as a precondition for a market-friendly policy and an open economy. Particularly interesting in respect to Good Governance is that, in this understanding, its management requires not just less government, but better government – government that concentrates its efforts less on direct interventions and more on enabling others to be productive – that is, roll-out neoliberalism (Kiely).

In sum, to pay attention to place-related and political differences, it is necessary to be aware of multiple factors and forces contributing to neoliberal urban and national government. Of utmost importance are - this has not been a topic of the paper but should not be underestimated - ambivalences and breaks within actually existing neoliberalism due to protest, unrest, and political contestation (Agathangelou). We see in MENA no pure Ordoliberalism or pure Chicago school neoliberalism, but a mixture of them and constant changes to it. Considering the transitions since 2010 in MENA, it is all the more relevant to be open-minded about the effects of contestations.

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Notes

1 This leaves out other important neoliberal schools and respectively reasoning. Those who are interested in this debate should read (Peck) or (Ptak).

2 But as well up to the international scale.

Works cited


