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*Research Handbook on Urban Sociology*

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AUTHOR(S)	Çelik, Özlem
TITLE	The capitalist local state, urban change, and social conflict
YEAR	2024
DOI	10.4337/9781800888906.00010
CITATION	Çelik, Ö. (2024). The capitalist local state, urban change, and social conflict. In <i>Research Handbook on Urban Sociology</i> , pp. 50-64. Cheltenham, UK: Edward Elgar Publishing. Retrieved Jul 4, 2024, from <a href="https://doi.org/10.4337/9781800888906.00010">https://doi.org/10.4337/9781800888906.00010</a>
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## Chapter 3

### The capitalist local state, urban change, and social conflict

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#### Abstract

This chapter explores local state theory within the broader context of state theory, providing a framework to understand local governance and decision-making dynamics. It examines four approaches—pluralist, managerialist, elite, and structuralist—that contribute to the ongoing debate on the local state. All four approaches are analyzed through the lens of three common characteristics: growth, localism, and social struggle. Given the increasing significance of cities and city regions as hubs of capital accumulation and growth, the concept of growth is central in all approaches. Localism, on the other hand, emphasizes the role of local actors, institutions, and the scale of the state in each approach. Social struggle reveals conflicts, the impact of local struggles on decision-making, and power dynamics. The chapter also explores recent debates, incorporating feminist, Lefebvrian, commons, and libertarian perspectives. The conclusion discusses future directions for the financialization debate and the development of local state theory.

#### Keywords

Local state; Pluralism; Elitism; Managerialism; Structuralism; Local scale

What is the relationship between different social groups at the local level and decision-makers? To what extent does the state play a role in urban change? How does power get exercised and contested? These are long-term debates and are still open to further discussions in human geography, political science, and urban sociology disciplines among others. There has been a growing interest in the local state throughout the social sciences since the late 1960s, due in large part to the urban crises and the urban struggles in late- and early-capitalist countries (around employment, housing, transport, and public services). Through Cockburn's (1977) ground-breaking work on Lambeth, London, the first steps towards local state research were laid. In line with Marx's discussion of the state in capitalist society (Miliband 1969), Cockburn argued that the local state is not simply a governmental activity of the central state, nor does it simply represent the state locally (Cockburn 1977: 47). The local state is entwined with the central state, but it is also enmeshed with contradictions between capital and labour that are specific to the local scale (Cockburn 1977: 55). Local states are viewed as complex webs of relations among local government functions, social and civic organizations, and local business interests. I discuss debates in local state theory in this chapter, which provides a framework for understanding local governance and decision-making dynamics rather than municipalities, which are specific administrative entities with legal authority and responsibilities for local government.

The various approaches to the local state are directly connected to broader discussions of state theory. These include: (i) pluralist, (ii) managerialist, (iii) elite, and (iv) structuralist approaches. The diverse approaches to state theory are presented in this chapter in terms of three characteristics that cut across all the approaches: growth, localism, and social struggle. In all approaches, growth has a central role, since cities and city regions are increasingly the primary sites of capital accumulation and growth.

Localism carries importance in each approach in positioning the role of local actors, institutions, and the local scale of the state. The aspect of social struggle sheds light in understanding how the conflicts between different actors and groups take place, how the impacts of local struggle by urban social movements shape decision-making processes, and how power is exercised.

The discussion below unfolds as follows: by adopting growth, localism, and struggle as lenses, four approaches to state theory are explained. Firstly, I elaborate the more agency-oriented approaches: (i) pluralist, where the state is seen as a neutral actor that is equally open to the influence of all social groups; (ii) managerialist, which emphasizes the role of local officials in shaping policy outcomes according to their own values and goals; and (iii) elitist, which underlines that small, powerful ruling groups can and do govern and that they form the power coalition at the local level (Dunleavy & O'Leary 1991). Pluralism emphasizes the role of negotiation and compromise among various social groups, while managerialism focuses on the agency of local officials. Elitism, on the other hand, highlights the concentration of power among a select few. My second focus is on structuralist approaches that illuminate how structures and agency interact. These approaches include classic instrumentalist and structuralist Marxist perspectives. Classic instrumentalist approaches view structures as tools or instruments that individuals use to achieve their goals. Structuralist Marxist approaches highlight the inherent conflicts and contradictions within capitalist societies, emphasizing the role of class struggle and exploitation in shaping structures. In this chapter I also introduce the strategic relational approach (SRA) as one of the key strands of structuralist approaches, which examines how social actors strategically navigate and negotiate social structures.

The fifth section delves into two new debates in local state theory; namely, new municipalism and degrowth. What is new beyond the classical theories of the local state is the influence of feminist, Lefebvrian, commons, and libertarian theories. The chapter concludes by highlighting possible new avenues for the financialization debate and new formulations of local state theory.

## **Pluralism**

Pluralism has been vastly influential in urban politics for and against it. It has played a vital role in inspiring social movements and yet has been a driving force for institutionalists to regulationists, who accept the plurality of organizations as an expression of urban politics (Judge 1995: 13). The main characteristics of pluralism are: 1) power is seen as fragmented and decentralized; 2) all groups have some resources to articulate their case, even if their demands are not always met or are not successfully implemented; 3) there will be different outcomes in different policy sectors as a result of different processes, actors, and power distributions; and 4) politics extends beyond formal institutions such as elections and representative bodies (Judge et al. 1995).

According to pluralists, in a liberal democracy the state operates in a neutral manner, remaining equally receptive to the influence of all social groups. This inclusivity extends to various stakeholders, such as employers, workers, students, and organizations. The state's interaction with these groups occurs both explicitly through elections and implicitly through lobbying or through the existence of corporatist structures. In this approach, the state is often viewed as a site of conflict that reflects the

pressures of interest groups. As a result of differing pressures, the policies reflect the interests of everyone involved in the decision-making process (Smith 2006). In a pluralist understanding, politics is a constant negotiation process and the resolution of conflicting interests. Therefore, the central questions of the pluralist understanding are 'who governs' in an urban community, who is involved in making decisions, and how are decisions made. As Dahl (Judge 1995: 14-17) points out, there is no single model of pluralism that can answer these questions. Rather than being an abstract concept, pluralism serves as a 'descriptive empirical' analysis of decision-making processes. It operates within the framework of a polyarchy or urban pluralism, as described by Dahl, as no minority group is permanently excluded from the political arena (Judge 1995: 14-17).

A progressive perspective on urban pluralism provides a distinct viewpoint. In adapting Habermas's concept of communicative rationality, Patsy Healey (1997) developed a new understanding of urban planning, in which it is placed at the center of how to govern local politics, through the link between institutionalism and pluralism. The institutionalist perspective reframes planning from being solely an individual or interpersonal activity to being a part of governance. Healey (1987) highlights this shift and expands the scope of planning beyond the realm of public planning and the state. The institutionalist perspective asserts the significance of institutions in society and argues that they offer valuable insights into human behavior. Moreover, this perspective considers planning itself as a form of institution, conceptualized as a social structure (Healey 1999). According to Healey, our understanding of the material world is shaped by our social perceptions, as well as by our moral reasoning and emotional feelings. Nevertheless, this does not mean that people's interests determine their preferences: they are formed through interactions (Healey 1997: 29). In a shared space, everyone has a range of interests and expectations; how can public policies be crafted to accommodate everyone's needs? According to Healey (1997: 29-30), communicative or interpretive planning theory operates in a collaborative consensus-building manner rather than through competitive interest bargaining. As a result, she sees public policy-making taking place within a 'social context' where everyday practices take place. Healey's approach to the local state provides an agent-based analysis opposed to an analysis of material relations (Healey 1997: 37).

Specifically, Healey (1997) claims that in that culture of diversity, priorities and strategies for collective action are determined by interaction when all interest groups achieve a certain degree of collaboration and reciprocity. A conversation open to a wide range of people can lead to shared values if knowledge and understanding are exchanged. Planning practice and the role of urban planners are crucial in Healey's work. Healey's approach to urban governance demonstrates how interest groups and planners can work together to reach a consensus by using a process of interactive collective action. Healey, applying the normative side of pluralism to a pluralist local state theory, argues that planners and planning bring power relations into play and planners also have the power to transform them (Healey 1997). Thus, Healey places planning at the center of urban growth, where the local scale takes center stage and social struggle is embedded within a pluralistic actor-based context.

A pluralist approach views power as fragmented and decentralized, allowing every group to participate in local decision-making. Nevertheless, this approach is not without its limitations, both methodologically and theoretically. Firstly, simply demonstrating the potential for participation in

decision-making fails to adequately address historical and structurally embedded social relations and inequalities. Additionally, such analyses begin from a practical level of specificity rather than treating states as abstract concepts. The pluralist approach presents itself as an analysis that prioritizes governments and governmental systems rather than the state or its organizational structure (Smith 2006). When referring to the state, the pluralist approach views it as distinct entities, such as state institutions, courts, and the civil service (Dunleavy & O’Leary 1991). This perspective gives rise to inquiries like ‘who possesses power in a polyarchy?’ instead of focusing on the nature of the state itself (Dunleavy & O’Leary 1991: 42). Furthermore, according to the pluralist approach, policy-makers are seen as operating within a consensus of values that is politically impartial and emerges from various interests (Smith 2006). Nonetheless, even in cases where consensus is achieved, it can be argued that it embodies the tensions and contradictions inherent in class struggle (Eisenschitz & Gough 1998: 93).

### **From managerialism to entrepreneurialism**

Managerialist theory sees the state as an institution distinctly separate from society, aiming to reproduce its own power. This autonomy is not embedded in the demands and interests of classes or groups in civil society: rather, it is rooted in the self-interest of state officers. The approach’s emphasis on the power of state officers might be seen as similar to the elite approach; however, the state is not seen as captured by any powerful group outside the state as is accepted in the elite approach. The state elite have an autonomous power embedded in their own self-interests (salary, prestige, etc.), which is different from other groups or classes in society (Mann 1984; Skocpol 1985). Developed through Rex and Moore’s concept of ‘urban managerialism’, managerialist local state theory emphasizes the role of important managers within bureaucratic state institutions that manage the provision of services, mainly collective consumption. These managers, also known as gatekeepers, have a critical role to play in distributing resources in the city (Saunders 1981, Savage et al. 1993). The core ideas of urban managerialism have been discussed by Ray Pahl in his collection of essays asking the question ‘whose city?’ (Pahl 1970). Pahl was interested in finding out how the owners of the city—capitalists and managers—reproduced ownership, appropriating rents and profits from the city. His study identified the various ‘urban managers’ employed by state authorities and local municipalities in charge of allocating public goods and services; namely, local economic development and growth. In this way, Pahl was able to demonstrate how ‘urban managerialism’ produced territorial inequalities and social exclusions, a breakthrough for critical urban sociology for its time.

Early forms of managerialism had a significant flaw based on the assumption that the state is an institution separate from society with autonomy in its operations (Savage et al. 1993). According to this assumption, state power is revoked by officers owing to the bureaucratic governing of the state. Consequently, the first weakness stems from disentangling state bureaucrats from the historical and structural context of the governing process and institutions (Savage et al. 1993), which neglects the class nature of the state (Das 1996). Therefore, the idea of the powerful bureaucrat became implausible. Since then, managerialism has appeared in neoliberal ideologies as an enemy or barrier to local growth—for example, local planners would stifle economic development because they are overly bureaucratic.

Traditionally, urban managerialism (Kujawa 2016: 1) has been viewed as a phase of urban governance in which state actors have engaged in a series of public–private partnerships since the 1970s (Harvey 1989) that led to entrepreneurial local governing. This shift was driven by the new role cities played as economic generators in the global market. Cities compete to bring various sources of funding, direct investment, and new employment opportunities by cooperating with private enterprises. Thus, urban entrepreneurialism is a new form of urban management that places public–private partnerships at the core of its governing process, stimulating all forms of economic growth through the speculative construction of place rather than by addressing collective consumption and other social needs within a given area. The new developments based on urban entrepreneurial logic target developers, investors, and tourists through the exploitation of local advantages for the production of goods and services, the development of new mass consumption activities, and the attraction of corporate command and control functions (Phelps & Miao 2020).

However, the shift from managerialism to entrepreneurialism also played a role in state rescaling. Urban managerialism had delivered innovations in order to fit the purposes of mass consumption and thus was universalized across national territories (Phelps & Miao 2020: 306). Urban entrepreneurialism is more associated with the city scale, where promotion, marketing, and branding of cities' innovativeness and speculative ventures involving public–private partnerships happen (Phelps & Miao 2020: 309). According to Phelps and Miao, urban speculation is less likely to be driven by urban public services but rather by land redevelopment and land exchange surpluses. There is no doubt that urban speculation continues around basic infrastructure and services, even though it may be true of cities in the United States where redevelopment agencies have accrued surplus tax revenues normally earmarked for affordable housing and services (Jonas 2020). Thus, urban speculation has a wider impact that extends beyond the local scale. Interurban competition and the collaboration among urban elites at (often) transnational levels brings global- to local-scale actors into play (Phelps & Miao 2020: 316).

It is likely that disadvantaged groups will be ignored or inadequately addressed where interurban competition drives speculative local growth. The question of social conflict in entrepreneurial local governing concerns not only that between the urban elite and entrepreneurs; the majority of city dwellers take their share from the uneven spatial and social consequences of speculative projects. Discussions of counter-movements against entrepreneurially induced speculative projects have been increasing in the literature (Thompson et al. 2020, MacLeod 2002).

### **Elite theory of the state: growth machines and urban regimes**

Elite approaches can be classified in three groups: classic, technocratic, and radical. The classic elite approach is based on a hierarchical conception of society and focuses on the relations between the rulers and the ruled or the powerful and the powerless. The ruled need decision-makers (e.g. leaders) for complex decision-making processes (Dunleavy & O'Leary 1991: 138-141; Judge et al. 1998). The technocratic elite approach largely adopts Max Weber's understanding of state organization as a bureaucracy. Power is in the control of those who have the commanding positions within society's leading bureaucracies (Dunleavy & O'Leary 1991: 141-143; Judge et al. 1998). Lastly, the radical elite approach sees the state as dominated by a new managerial elite formed of sections of business

and powerful committees in the state. This approach has a particular focus on the governing of cities with a specific critique of the pluralist approach to governing. Thus, according to elitist approaches, the major decisions are made by only a handful of people, rather than in the interests of diverse groups or classes, such as sections of business, senior government officials, wealthy individuals, media owners, or sections of the middle class, independent of democratic election processes (Dunleavy & O'Leary 1991: 137).

The elite theory of the local state is characterized by a critique of classic elite theory. The growth machine (Jonas & Wilson 1999; Logan & Molotch 1987) and urban regime (Stone 1987) are the well-known strands that see the local state as captured by a coalition of powerful groups, primarily businesses, to foster local economic growth.

Harding argues that the growth machines are more concerned with 'who has the greater influence over the physical restructuring of places, why, and with what effect' (Harding 1995: 44) rather than 'who rules'. Growth machines are coalitions of powerful social groups that become entrepreneurs in a particular area; e.g. local media, banks, universities, and property investors. As a result of the close and relatively permanent relationship between these coalition members and public officials, elite groups are able to exert systematic and long-term power and influence public policy. Local governments may or may not be essential members of the coalitions, but they do strongly support them (Harding 1995: 43). Coalition members are often active members of local government. As an example, elected council members get involved in the coalition to pursue their interests directly (Jonas & Wilson 1999; Logan & Molotch 1987; Savage et al. 1993; Stone 1987); however, there is a controversial plural understanding of the power within the coalition, and business leaders are not seen as omnipotent (Harding 1995).

The growth machine approach to local government faces criticism for failing to define the 'local state' in terms of 'how or why local government employs its autonomy' (Clarke 1991). Growth is thus viewed ideologically since local governments and business community act as growth machines for their localities; e.g. the city. Logan and Molotch focus only on one aspect of local growth: property development (Harding 1995: 44). They have a one-sided analysis where they emphasize the ownership of property as the key conflict (Harding 1995: 44). However, a critique of seeing growth machines as a form of property development reminds us that investors and developers do not only look for low-cost sites in the property market. The growth machine coalitions are also interested in regional skills; ongoing relationships between employers and workers, including unions; training opportunities; and suitable local networks of suppliers and business services and their level of involvement in communication technologies (Eisenschitz and Gough 1998).

The second approach in elite local state theory in the *urban regime* is one of the prevailing approaches, including several variations. Regardless of the form, there is a formal or informal mode of collaboration between the public and private sectors (Mossberger 2009: 40) and an interest in understanding the issue of power (Stoker 1998: 54). The definition of an urban regime is a set of governance arrangements, including the ability of a group to access resources and exert significant influence over urban policy and management. A regime is defined by Stone (1989: 4) as an 'informal, yet relatively stable, group with access to institutional resources that enable a sustained role in making

governing decisions'. There tends to be an institutional base of power among regime participants in a particular area. However, the regime is an informal basis for coordinating different participants without having an 'encompassing structure of command' (Stoker 1998: 59). In a market-economy society, this approach's liberal underpinnings make collaboration between business and government inevitable. According to urban regime theory, in a liberal political economy officials are popularly elected to control local government institutions to a certain extent with the involvement of the private sector channeling investment decisions (Stone 1993: 2).

Regimes do not have a single focus of direction and control; they do not operate according to a formal hierarchy one can find within an institution. Stoker (1998) explains the non-single focus by arguing that regime members operate as a network rather than engaging in open-ended bargaining like pluralists. The cooperation created within a regime is based on the principles of solidarity, loyalty, trust, and mutual support (Stoker 1998: 59). Participants in regime coalitions aim to establish a long-term relationship rather than achieving an immediate goal or a focus on growth. Nevertheless, these collaborations create both fragmentations of authority and interdependence between elected institutions' policy-making capacity and market-economy resources that generate growth (Mossberger 2009: 41). Therefore, unlike growth machine theory, which posits a single coalition acting together, urban regime approaches suggest that different social groups have different significant impacts on the local state. Diversity arises from the complexity of social relations in controlling and managing local development (Stoker 1998, Stone 1987). As a result, regime theory explains how a political system with diversity and complexity can develop a capacity to govern (Stoker 1998: 57).

There are two main limitations of the approach. Firstly, urban regimes are viewed as a means of integrating societal demands and class struggles. This stems from the belief that coalitions have strong capturing capacity with regard to the local state. Nevertheless, capitalist relations encounter impasses as a result of their contradictory nature. Class and other social conflicts are sometimes embedded covertly at the local level (Cox & Mair 1989). A second concern is that the urban regime approach correctly states that the influential coalition of groups is locally dependent; however, it does not link the local scale of the state with other scales and the relations constructed at those scales. In other words, both growth machines and urban regimes are regarded as 'essentially localist' (Harding 1997). A critique of this approach refers to the lack of recognition of the importance of higher levels of government or external structures, such as investors. Furthermore, it is argued that the varied forms of growth machines are generally the results of effective city leadership and strong networking (Jessop et al. 1999). As Stoker (1998) argues, both of the approaches disregard the conflicts between different levels of the state and the contradictions of the demands of different interest groups at different levels.

### **Structuralist theory**

Marxist theories of urban politics, namely the instrumentalist and the structuralist view, regard the role of the state in capitalist societies as twofold: (i) a role in capital accumulation to secure the reproduction of capitalism by providing general prerequisites of production (i.e. legal and monetary systems, transportation, a healthy labour force); and (ii) a role in maintaining legitimation to maintain

social order by establishing institutions and policies that provide concessions to certain groups, as well as controlling them to repress possible social conflicts and uprisings (Pickvance 1995).

While sharing the twofold role of the state in capitalist societies, Marxist approaches differ in terms of who controls the autonomy in relation to the dominant classes where the state needs to accomplish accumulation and legitimation and to what degree. Instrumentalist and structural approaches differ in understanding the autonomy of the state regarding the dominant classes, the conflicts between state institutions, and how and by whom urban politics are designated.

The instrumentalist approach sees the state as an 'instrument' that serves the general interest of the dominant classes and has a minimal autonomy in relation to those classes. According to instrumentalists, the state acts as a unity and the conflicts among state institutions are minimal. The local state is thus seen as a reflection of the national interest of dominant classes without real power but offering participation at the local level (Pickvance 1995: 254).

The structuralist theory offers an alternative approach to how the state performs accumulation and legitimation. For the accomplishment of these functions both the state institutions and the dominant classes share autonomy. The main emphases of the view are the divisions among different fractions of the capitalist class and how the power of the working class can be tamed and controlled by concessions. Thus, state institutions have a greater role in responding to conflict pressures. The local state then has some autonomy to reconcile local and national class interests.

The structuralist theory of the local state, which we focus on in this chapter, is the strategic relational approach (SRA), which departs from two discussions: strategic selectivity and rescaling of the state. The state is considered the strategic site and center of the exercise of power in the SRA: an organization of the dominant class in relation to the dominated classes (Poulantzas 1978: 148). As opposed to the elite approach, the state is not a subject that obtains power for itself nor is it an instrument of the dominant classes but rather a social relation that is the terrain, the source, the result, and the crystallization of political strategies (Jessop 1985; Poulantzas 1978). No group, class, or individual can control the outcomes of the conflict-laden processes of micro-power games (Jessop 1985: 129). The SRA considers the Marxist state theories as being either capital-theoretical, 'which subsumes different patterns of accumulation under general economic laws' (Jessop 1991: 142), or class-theoretical, which reduces patterns of accumulation and state forms to 'specific 'economic corporate' struggles' (Jessop 1991: 142) (e.g. the political structuralist approaches). The SRA calls for linking capital- and class-theoretical approaches through 'strategic-relational' middle-range concepts (Jessop 1991: 142) for a more adequate and concrete approach. The SRA combines the structural selectivity of the state debate with a strategic political approach. In the structural selectivity of the state (Offe 1974), the state is sorted according to its selective principles. This selectivity has four main principles:

1. The state excludes or includes certain groups or fractions by using its political power over the economic power of various capital interests.
2. The state secures its maintenance by guaranteeing its mandate for securing the general interest of capital.

3. The state apparatus and state personnel act according to the maintenance of capital accumulation;
4. A legitimate selection process is essential for the unity of society.

Thus, state policy formulation is complex, incoherent, and chaotic, reflecting a class struggle in the internal divisions and contradictions within and between different state apparatuses and branches. Further, the role of the state organization is to impose a general line over micropolitics, including the strategies and tactics of various classes and factions. A general line of analysis is what is known as the 'structural selectivity' of the state, characterized by the state's apparatuses and personnel, conflicts and contradictions between fractions and classes, and a more or less successful overall strategy. Structural selectivity is not reducible to any of these; rather, it emerges from clashes between the state personnel, conflicts between different capital fractions, and the power of the working class in making demands (Jessop 1985: 126-127; Poulantzas 1978: 132-136). Therefore, the concept of 'strategy' is crucial for understanding the nature of the state and its interventions, as well as for developing middle-range concepts that bridge the gap between capitalist- and class-theoretical approaches. Based on the SRA's concept of strategic selectivity, the strategies of the state refer not only to the institutional matrix, which reflects the political dominance embodied in the state's institutional materiality (Jessop 2007: 125), but also to the tactics and strategies of the fractional classes.

State hegemony is achieved by using spatial selective mechanisms; namely, privileging and articulating differentiated state policies for specific zones and scales. Jones (1999: 237) defines spatial selectivity as 'the privileged scales, places, and spaces that the state favors through accumulation strategies (economic policy) and ideology'. Thus, geographical privileging can be understood in material and ideological forms and occurs in crises 'to achieve political and ideological control, as class, social, and interest groups must be mobilized in order to secure support for particular economic and ideological policies' (Jones 1999: 237). This can include providing concessions in various forms to specific groups or fractions (such as tax cuts) or crisis displacements when the state's existing accumulation strategy is inadequate to resolve tensions between different capital fractions. It is the displacement of crisis in the political sphere rather than in the economic sphere that opens capital accumulation to new accumulation strategies, new hegemonic projects, and alternative state projects including a variety of forms of representation (Jones 1999: 238-239).

In a similar manner to Jones (1997, 1999), Brenner (2004: 89) states that spatial selectivity is 'never permanently fixed but, like all other aspects of state structure, represents an emergent, selective, and politically contested process'. This theory assumes that 'the state's organizational coherence and functional unity are never pre-given' (Brenner 2004: 89) but are determined by historically specific political strategies. Industrial policies, spatial planning programs, and housing policies are all part of state spatial strategies. At different scales, these strategies are manifested in territorial differentiation of policy regimes. State policies may be geographically variable and uneven, promoting divergent, context-specific impacts at diverse scales and locations (Brenner 2004: 93). Thus, the geographies of statehood in capitalism can be seen as reflecting the dialectical interaction between past 'partitioning and scaling of political space' and contemporary state spatial projects/strategies that aim to reshape

capitalism (Brenner 2004: 93). This ‘selective’ character of the state travels across different scales and varies across different geographies, leading to the state debate’s rescaling in the SRA.

The second strand of the local state debate in the SRA is based on Brenner’s (2004) emphasis on the importance of the rescaling of the state thesis under neoliberalism. Spatial arrangements have a competitive nature under neoliberalism, seeking global capital flows for particular localities. Selective mechanisms of the state can and may create spatial privileging by providing public investments and incentives in terms of labour, land, financial processes, training, and employment regimes. As a result, those privileged areas will prosper in terms of economic growth and become more competitive than those left behind. With the neoliberal turn in economic growth, there has been increased competition among states and, more important, cities and city regions within states, which leads to uneven urban development. Various regulations and institutions have been introduced by national, regional, and local governments to encourage investment in certain areas. The creation of new urban governing bodies, development boards, training, and enterprise councils is intended to strategically promote local economies for a ‘good business environment’ (Brenner 2019: 194). For Western European local governments, welfare service provision and state-financed consumption have started to diminish and have been replaced by new tax concessions and financial incentives for transnational capital (Brenner, 2019). In essence, the deregulation of welfare services, the spatially selective investments in infrastructure, and the marketing of urban spaces support the neoliberal policies by rescaling the development process. The rescaling of the state leads to uneven development by fragmenting national space into competing urban and regional economies, resulting in territorial inequality and socio-spatial exclusion. Brenner (2019: 247) moves a step forward despite criticisms by arguing that growth machine and urban regime approaches can also be reinterpreted as multiscalar analyses of urban development. According to the three analytical standpoints of the approach—1) structural features of a state’s spatial and institutional organization; 2) historically specific regimes of urban spatial policy; and 3) conjunctural struggles over urban spatial development—the urban scale is attributed as an institutional site for growth (Brenner 2019: 245-71).

In both strands of the SRA, the conjunctural analysis of critical theory emphasizes how and to what extent rescaling and selective strategies are taking place. The SRA indicates that an accumulation strategy establishes a general strategy appropriate to the realization of a specific ‘growth model’ for a given conjuncture. This does not imply that there is only one hegemonic strategy. Conjunctural analysis frames various tactics within a given accumulation strategy as well as the plurality of strategies at a given period. Therefore, there is a margin of maneuver for non-hegemonic fractions and dominated classes. Although such tactics might threaten the realization of the hegemonic accumulation strategy, they also create a negotiating arena for counter-interests within the framework of the given hegemonic strategy (Jessop 1991: 205). The conjunctural analysis results in the periodization of Marxist analysis, such as feudalism, commercial and colonial capitalism, and in some geographies Fordism and post-Fordism. Peck, for example, adopts late entrepreneurialism as a manifestation of neoliberal global urbanism in his conceptual framework: ‘conjunctural urbanism’ (2017). In line with this framework, the call that Harvey made to analyze cities in the entrepreneurial period is taken up by Peck and Theodore (2019) in order to examine hegemonic projects (such as tourism, urban regeneration, and flagship projects) in the context of neoliberal globalization in cities.

The SRA is widely used by scholars in urban studies but also has been criticized due to its shortcomings. Firstly, this approach does not take into account the contradictions and limits of the various state apparatuses, fractions of capital, and institutions of the state at various levels. Such limitations and contradictions emerge from a conjunctural analysis of a particular period associated with an accumulation strategy and a hegemonic project that lacks a broad, comprehensive, and adequate analysis of capitalism and capitalist relations as a whole. The method explains only part of the whole by separating a particular period from the contradictions through which capital develops, including the spatial ones (Cox 2009: 933). Furthermore, the functionalist explanation of the approach lacks an explanation of the process of selectivity as a result of class struggle (Cox 2009: 933).

### **Alternatives: new municipalism and degrowth debates**

In recent years, there have been new directions in the local state debate influenced by feminist, Lefebvrian, commons, and libertarian municipal approaches, among which I will focus on two: new municipalism and degrowth. New municipalism is a global social movement aimed at transforming local governments and economies by democratic means. The advent of this new approach to democratization of municipalism is regarded as a renaissance in local political and economic life. The local state is called back to experiment with new forms of co-production, shifting from regulatory to enabling roles and cultivating worker-owned cooperative ecosystems (Thompson 2021: 1). Urban activism that reclaims the right to the city, urban commons, and self-organization models lead the democratic transformation of the local state for just and equal cities. According to Thompson (2021), new municipalism adds a fresh perspective to the local state debate by giving rise to novel forms of institutionalization that embody urban and not state logics. The new municipalism therefore extends beyond state-centric approaches by both pushing the boundaries of state reform at the local level and prefiguring a different kind of polis rooted in the urban. It developed as a response to austerity measures after the 2008 global financial crisis. In many countries, the Occupy and Square movements (which occurred in the Arab Spring and expanded across the globe) have given rise to new political potentials beyond traditional party politics. At the time of occupations, citizens of different cultures and classes engaged in different forms of self-organization and novel horizontal democratic institutional forms to claim the right to the city and the commons. In everyday urban politics, spaces are reshaped and re-appropriated in a temporary manner, forming alternative networks to fulfill social needs and reproduce people; i.e. community gardens, social centers, cooperatives.

It has been challenging to implement sustainable institutional forms of democratic governing (e.g. alternative economic spaces, DIY urbanism) at a sufficiently large scale to challenge traditional logics. In this sense, the new municipalism allows for the development of innovative municipal institutions for seeding, promoting, and protecting their development (Thompson 2021). This is represented by three types of new municipalism: platform-based, autonomously based, and management-based (Thompson 2021). Platform municipalism works in, against, and beyond the state by forming new citizen platforms through civil society mobilization. The institutional form of the new local state is a composition of digital platforms, participatory budgeting, and popular assemblies. The autonomous municipalism aims for a stateless city governed through self-organizing that is nourished by feminism, degrowth, ecosocialism, libertarian municipalism, and communalism. The

institutional forms of the autonomous model are represented by the confederation of autonomous self-governing communes and cooperatives. Managed municipalism targets the democratization of urban economies via technocratic projects under the influence of cooperativism and a pluralist commonwealth (Thompson 2021: 11-12). These new attempts at local governing and the transformation of the local state renew and redefine what a local state can be. The novel forms of local economy, bottom-up democratization, degrowth in relation to the state (D'Alisa & Kallis, 2020), and degrowth machine politics (Schindler, 2016), as well as other possibilities of alternative intra- and inter-scale solidarities between and within municipalities, promise new futures for social and economic sustainability.

## **Conclusions**

There is a great deal of diversity in understanding, revealing, and conceptualizing the local state. The above discussion illustrates that there are a number of ways to solve the puzzle of how the local state functions. However, three basic characteristics of the debate cut across all approaches: growth, localism, and struggle. In all approaches, the issue of growth is at the center, since cities are increasingly the primary sites of capitalist accumulation, production, and reproduction at a global scale. With the shift in how growth is pursued, managerialism, entrepreneurialism, and degrowth have been offered as alternative forms of municipalism and its institutions. Localism is at the core of most debates (pluralist, elitist, and Marxist) about the local state, whether it is an ontological position or an empirical scale, relation, and entity. The scale debate draws attention to the question of whether local state debates isolate the local scale from broader political economy analysis, structures, and forces. Lastly, struggle penetrates all approaches; however, except for alternative novel approaches, they do not take into account the impact of social movements on reshaping the state. Former approaches focus more on the conflicts between actors within and outside of the state and the struggle between different capital fractions.

For the future directions in local state theory, the deepening and expanded impacts of financialization at the national and local scales and a new turn towards an entrepreneurial shift in urban governance are worth mentioning. Current research on new forms of urban entrepreneurialism (Peck & Whiteside 2016; Beswick & Penny 2018; Knox-Hayes & Wójcik 2020) delves into the relationship between debt-based financing and the global financial markets, calling on the local state to help to facilitate and create markets and illustrating how global financial capital can make its way to local markets (Gotham, 2009). This discussion's turning point was the shifting position of the local state in different waves of roll-back and roll-out neoliberalism, bringing cities to the forefront of local growth and fostering a local entrepreneurial state (Van Loon et al. 2019; Lauermann 2018). Beswick and Penny (2018) conceptualized this shift as 'financialized municipal entrepreneurialism', which incorporates speculative residential development and a greater interest in capital markets. Municipal financialization refers to the role of real estate and housing as the driving force behind entrepreneurial governance: not as a by-product of it but as an item to be evaluated on a financial basis (Beswick & Penny 2018; Christophers 2017). In fact, market forces are the initiators of financialization, but the state facilitates and enables the necessary conditions to make financialization possible. When the state allows the land to be treated as a purely financial asset, it prepares the necessary conditions for

obtaining rent from the land, which previously had a privileged value based on its use (Beswick & Penny 2018; Hyötyläinen & Haila 2018). In the same vein, Çelik (2021) argues that the state has an additional deliberate role as a developer in treating land as a financial asset. Its roles include: (i) introducing new legislation, (ii) creating financial frameworks to encourage domestic and international capital to speculate on land and housing as assets, (iii) enclosing public land, (iv) leveraging revenue-sharing urban regeneration projects, and (v) using coercive legal and penal force to criminalize informal development and to quell resistance to state-led regeneration. As a result, the financialization of the local state has also been well-integrated with sustainable goals and green boosterism at the local level, for which further research on the local state is required.

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