

THEORISING THE STATE IN LOCAL ECONOMIC GOVERNANCE

Complete version

Aram Eisenschitz,

Department of Geography and Environmental
Management, Middlesex University, Enfield, EN3 4SF,
England

Jamie Gough,

Division of Geography and Environmental Management,
University of Northumbria, Newcastle-upon-Tyne, NE1
8ST, England

This is a slightly longer version of the paper of the same title published in *Regional Studies* in 1998. It has an extra section, section 9, which critiques the work on local economic governance by the Regulation School, an influential approach in urban and regional studies. This was cut from the version published in *Regional Studies* because of the word limit imposed. We regret this cut as the section formed an integral part of the paper and made it more complete.

Abstract

This paper analyses the major changes in the role of the state in local economic governance in the last two decades, including production networks and partnerships, the reshaping of welfare and community, state fragmentation and quangoisation, and the role of business. The local state is seen as a moment in the social relations of civil society and imbued with their contradictions. There is a tension between the autonomy of the state and its tendency to serve particular interests, and between its universal and partial aspects. A critique is given of the major approaches in the existing literature: capital-functionalism, pluralism with a strong local state, libertarian pluralism, and the regulation approach. The relation between the national and local state is reconsidered.

Theorising the state in local economic governance

1. Introduction

The now enormous literature on local economic initiatives (LEIs) is marked by a lack of explicit and theorised discussion of the state. At first sight this is a curious omission. The growth of LEIs throughout the developed capitalist countries over the last twenty years involves important changes in the roles of national, regional and local governments not only in the economy but in social regulation more widely. LEIs have also been central to changes in the relation between regional and local (henceforth 'local') governments and civil society and to the 'quangoisation' of the local state. There is evidently something important to be theorised here. But while there has been much discussion of the 'hollowing out' of the nation state, changing systems of governance, and the putative emergence of an 'entrepreneurial', 'enabling' or 'networking' state, this has largely remained unrelated to the traditional, broadly marxist theories of the state and its relation to civil society. Writing on current changes to the state, including LEIs, consequently contains unexamined and in our view incorrect presumptions. The purpose of this paper is to develop a better theorisation of the state in relation to LEIs.

The literature on LEIs contains two broad, and contrary, sets of implicit assumptions about the changing roles of national and local states in economic regulation. The first emphasises the strength of global flows, and is sceptical about the ability of local states to achieve significant autonomy from these flows. The second approach is less fatalistic, and suggests that local actors may be able to exert significant influence over the spatial division of labour. The first viewpoint is informed by an implicitly functionalist view of the state, the second by a pluralist viewpoint. The two approaches have very different implications for policy.

The 'globalising' view posits a crumbling of opposition to the market in the face of the increasing mobility and centralisation of both money and productive capital (NCDP, 1979; PEET, 1983; ROSS, 1983; FRIEDMANN, 1986; SASSEN, 1991; PECK, 1996, Ch.8; FRIEDMANN, 1996). [1] In response, national governments of all political hues have weakened the regulation of business, transferred services to capital, and supported the growth of unelected, 'pro-market' quasi-state institutions. Local economies are increasingly open to the volatility of the market and capital movements (COCHRANE, 1993, p.118), and the ability of local government to shield populations from market forces has been greatly reduced (LOVERING, 1988, p.155). This approach leads to two possible views of the state: either that the state's role is simply being *reduced* as a part of an increasing freedom and flexibility of capital - the strategy supported by strict neoliberals; or that the state's role remains substantial but is increasingly limited to activities which directly respond to the demands of business - rightwing corporatism. In either variant, the globalising approach is (implicitly) *capital-functionalist*: it assumes that capital has well-defined, non-contradictory demands, or even needs, to which the state responds.

The alternative perspective argues that *productive* capital is not hypermobile but, on the contrary, is often territorially rooted through sunk capital, inter-enterprise networks,

links to particular labour power, and dependence on specific business cultures (PORTER, 1990; HIRST and THOMPSON, 1996). Even money capital is not simply hypermobile (MARTIN, 1994). Local economies thus have a certain autonomy, are strongly differentiated, and involve active roles for particular fractions of capital and labour; they can therefore be influenced by political action. Localities are a “base from which subjects can exercise their capacity for pro-activity by making effective individual and collective interventions within and beyond that base” (COOKE, 1989a, p.12). This view acknowledges the mobility of capital and commodities, but it sees coherent local economies as operating within global flows in potentially non-contradictory ways (CASTELLS, 1989; AMIN and THRIFT, 1992). While internationalisation may have weakened the nation state, it may have strengthened the potential of the local state (for an extreme view see OHMAE, 1995).

Within this ‘localistic’ approach there are, again, two variants. The first sees an important continuing role not merely for local action but specifically for the local state (STOKER, 1990; MAYER, 1992; COOKE, 1989b; HALL and HUBBARD, 1996; BOLAND, 1996). The second accepts, and sometimes welcomes, the weakening and fragmentation of the local state, and pictures local governance as proceeding primarily from networked local institutions of civil society (AMIN and THOMAS, 1996; WILLIAMS, 1992). Both these variants have a *pluralist* view of social action and of the state: the evolution of local economies is produced by diverse groups within civil society; local action can potentially pursue a variety of goals, including social welfare, economic stability or enhanced democracy as well as profit maximisation; and thus localities are themselves plural, with qualitatively different economies and systems of governance. The actions of the local *state*, whether playing a leading or enabling role, are determined by a pluralist interplay of diverse actors and values.

Some commentators have combined the globalising and localistic themes (STONE, 1987; HARRISON and BLUESTONE, 1988; COX, 1995; PECK and TICKELL, 1994) to argue that although local states are tending to subordinate themselves to global flows, they *could* pursue progressive economic and social policies. It is acknowledged, however, that these may be more difficult to achieve in long periods of stagnation, and may be narrowly limited by globalisation (THOMAS and IMRIE, 1997). In these accounts the theorisation of the state tends to be ambiguous. [2]

The disagreements between these various approaches in itself suggests a need for a deeper analysis. We will argue that the antinomies of the existing debate - hypermobile versus locally-rooted capital, a hollowed out versus an active state, a state close to or distanced from civil society, a holistic versus a fragmented state - are one-sided recognitions of contradictory moments of capital and the state.

In this paper we develop an alternative theorisation of the role of the state in the evolution of LEIs. We critique the dominant views in the literature on LEIs in three dimensions: their view of the spatial dynamics of capital, their understanding of the state, and their political programmes. We first outline a particular marxist approach to understanding the state (section 2). With this approach, we outline our view of three key phenomena involved in LEIs: neoliberalism (section 3), the local relations between the state and civil society, particularly partnerships and growth coalitions (section 4), and, focussing on the US and British cases, the fragmentation of the local state (section 5). We critique the dominant implicit approaches and their associated political perspectives:

capital-functionalism (section 6), pluralism with a strong local state (section 7), and libertarian pluralism with a weak state (section 8). We discuss the most elaborate extant approach to theorising the state and LEIs, the regulation approach (section 9). We reconsider the relation between the national and local state in the light of the experience of LEIs (section 10), and conclude.

2. A Marxist theory of the state

Our approach centres on *the state as a social relation*. In contrast to other marxist approaches, the state does not serve ‘the needs of capital’, even at the highest levels of abstraction, does not guarantee social reproduction, and is not an object to be captured by a particular class or social group. Rather, the state embodies, and is a moment in, the social relations of capitalist property, capital accumulation, exploitation and other forms of social oppression (OLLMAN 1993; CLARKE, 1991b; BONEFELD, 1993). The latter relations are not merely conflictual (as radical pluralists point out) but contradictory, that is, their reproduction tends systematically to disrupt them. The state often modifies the form of these disruptions, but is unable to overcome them. Thus, just as capital faces inevitable and chronic dilemmas, so does state action. One consequence of these tensions is the *variety* and *instability* both of the institutional forms of the state and of its strategies, as these respond to the ever-present contradictions developed within specific historical paths and territorial jurisdictions.

A key structure for the state is the capital-labour relation, which always and everywhere involves both subordination of labour to capital *and* an active and creative role for labour; these are both in tension and depend on each other - a genuine contradiction (FRIEDMAN, 1977). Thus class relations may be reproduced through varied combinations, and historical dialectics, of coercion and incorporation. The state is then infused by this same tension. It is not (merely) that the state has distinct and conflicting functions of aiding accumulation and sustaining legitimation (O’CONNOR, 1973; CLARK and DEAR, 1984; JOHNSTON, 1989), but rather that these are two mutually supporting yet contrary sides of the class relation.

A central contradiction is between the role of capitalism in developing the forces of production in progressive ways and the divisive domination of capital, what Meszaros (1969) has termed the ‘universal’ and ‘partial’ faces of capital. This is expressed particularly in the tension between the increasing socialisation and cooperative social relationships of production *and* exploitation and the private appropriation and control of surplus value. These two sets of social relations are mutually dependent: the investments which develop the socialisation of production are motivated by, and funded from, private profit; while the profits which then flow to individual firms are produced by social cooperation. Yet the two sides are also opposed to each other. Efficient production often requires the overriding of private decision making (AVINERI, 1968: 207). The freedom to accumulate across sectoral or spatial barriers is essential for the self-expansion of capital, yet the surplus value which drives this process is produced by territorially- and sectorally-embedded capital. Socialisation is reflected in attempts by capital collectively, or by the state, to override vested interests in order to try to take account of wider social, economic and political costs. Such pressures for socialisation tend to grow with increasing sophistication of production and division of labour. These tensions can be

found in all areas of policy, from European integration to welfare policy, from patent law to urban planning.

The socialisation of production puts pressure on capitals to sink their differences in a common strategy. This is best effected by a state which has a strong *autonomy* from civil society and particular interests within it, so that it can effectively regulate relations between capitals, between sections of labour, and between labour and capital. Thus the greater the autonomy of the state, the better it can ensure that the reproduction of labour power is not damaged by excessive exposure to the law of value. For labour, the autonomy of the state from particular capitals enables it to represent the 'common good' and can even present the hope of emancipation, obscuring the basis of the social order in the partiality of capitalist property. Through its autonomy, then, the state comes to represent the *universal* aspect of capital.

There are, however, limits to this autonomy and universality of the state. The maintenance of universalistic welfare with lofty ideals, for example, may be expensive and insufficiently targeted to capital's needs. Moreover, state action always proceeds through an involvement with particular sections of civil society which tends to drag it into serving those interests. Thus if the state tackles the socialisation of production too explicitly, its autonomy is undermined and the production of surplus value rendered too visible (BURAWOY, 1985, p.31). Both firms and sections of the population may take the promise of universality too literally and make demands which would imply sharp conflicts with other private interests and with private profit.

These pressures tend to *fragment* the institutions and actions of the state, to undermine their holism. Policies react directly to demands by particular, partial interests. Problems become localised, and their solution becomes the domain of separate departments and professions, which treat each problem in isolation, soluble by technical fixes and pragmatism. Policy areas are often discrete and safe, hiding the intractability of the contradictions and the connections between problems and their sources (BLOWERS, 1982). This fragmented state is then a powerful source of demobilisation of the working class, since it obscures both the global interdependencies of capitalism (DAS, 1996) and the linkages between accumulation and the rest of society. But this fragmentation also harms capital, since policies often merely alleviate symptoms or displace problems to other fields; this is the penalty for not explicitly addressing socialisation.

The oscillation of capital between its universalist and partial faces affects the balance of the state between holism and pragmatism. The autonomy of the state may encourage excessive demands by labour, yet the failures resulting from its fragmentation are a constant source of frustration and further demands. Thus the balance between the state's autonomy and fragmentation is always unstable. The very ways in which problems are framed - as distinct or connected - are a field of class struggle. We now consider how these contradictions of the state have been manifested in the recent development of LEIs.

3. Neoliberalism: an unstable class relation

In the literature on LEIs, neoliberalism tends to be regarded as an unmediated product of internationalisation of commodity, money and productive capital, which is seen as powered by a search for expanding markets, an elaboration of the spatial division of

labour based on efficiency, and on changing communications technologies. This explanation of neoliberalism is, however, only a partial truth. It fails to treat neoliberalism as a class relation and a product of class struggle, an attempt to impose value discipline onto society. The structures of socialisation developed in the postwar boom started to unravel from the late 1960s; as BOWLES *et al.* (1990, pp.63-77) show, key elements as the accord between capital and labour and the containment of intercapitalist rivalry were falling apart under their internal contradictions exacerbated by the falling rate of profit, producing a “rising cost of putting people down” (*ibid.*, p.97). Sharp conflicts erupted in local politics, particularly in the sphere of reproduction and the growth of ‘single issue’ campaigns and movements of the oppressed which challenged private profitability; these arose not only from the squeeze on incomes and public spending but also from the growth of qualitative demands on welfare and infrastructure services encouraged by the rapid expansion of the local state in the previous period.

Neoliberalism, with some justification, blamed the decline of profitability and increasing political instability on the very institutions of socialisation that had sustained the boom (NAVARRO, 1982). The social turmoil of the 1970s gave neoliberalism the legitimacy to dismantle elements of those structures and to restore the rate of profit by returning to individualism in economic and social relations. It developed a class strategy of disciplining labour, residents and firms by intensifying competition and the rule of value; this was done by fiscal deflation, by encouraging the mobility of productive capital, by financial deregulation, by privatisation to undermine labour’s organisation and facilitate intersectoral mobility, and by introducing internal markets in the public sector.

This strategy does not mean that neoliberalism has simply abandoned socialisation; rather, it has redrawn its rules. In a sense neoliberalism has taken a more holistic approach to socialisation than Keynesianism by looking at political costs rather than just economic benefits. Thus a policy for public housing which may in the past have been initiated because of its beneficial effects on productivity may now be rejected if these effects are outweighed by its political implications. [3]

Neoliberalism has, however, had its own contradictions, signalled by a continual modification of policies. In many ways it has been damaging to capital. The market neglects, and may undermine, many of the processes on which accumulation depends, such as the socialising and reproduction of labour, the work ethic and stable class relations (HALL, 1987; HOLLOWAY, 1991, p.245). The welfare state provided mechanisms for coordinating production with demands made by labour; the commodification and fragmentation of state functions makes such a balance more difficult to achieve. Neoliberalism can also impose direct costs on capital - congestion, reduced productivity due to ill health, or skill shortages - that affect competitiveness. Similarly, the devaluation of capital is most efficiently managed by an autonomous state in order to avoid loss of skills, infrastructures and linkages. Neoliberalism weakens even those most basic conditions for the operation of markets, private property and contract enforcement (BIENEFELD, 1994, p.106), producing an epidemic of white and blue collar theft and fraud. Thus the neoliberal state, no less than the Keynesian, runs into the contradictions between capital as a whole and individual capital, between the universal and the fragmented state, and between cooption and discipline of labour (section 2). Thus the fact that neoliberalism has a real logic for capital does not mean that it is free from contradictions.

4. Recasting local relations between state, capital and labour

The politics of locality in the developed countries have been recast under neoliberalism. This is not to say that local politics has become simply neoliberal; on the contrary, we shall argue that they differ from national politics, and do so precisely because of their spatial scale. The difference is striking in three aspects. First, while the national state has retreated from economic regulation, there has been an expansion of economic initiatives at the local level. These have been coordinated variously by local associations of capital, residents and the voluntary sector; by quasi-state bodies operating in part with public funding; and by the local state and local branches of the national state. The state's input varies between countries: in many countries of continental Europe, local and regional governments have acquired new powers, particularly in economic matters; whereas in Britain, while local authorities have increased their explicitly economic *policies*, their formal *powers* have been eroded. Secondly, the rise of locally-differentiated economic policies has been accompanied by increasing variation in welfare services delivered in different localities. The standard of reproduction of labour has begun to follow more closely the rate of profit and accumulation (EISENSCHITZ and GOUGH, 1993). Third, local politics has been marked by a more inclusive collaboration between interest groups than at the national scale: local 'partnerships' involve sections of capital and departments of the state, but often they also include organisations of residents, the voluntary sector and even organised labour (GARCIA, 1993). These arrangements have a certain continuity with Keynesian corporatism and pluralism.

This is, however, a pluralism of restricted choices, constrained by the alarmist vocabulary of globalisation: compete or die. Internationalisation compels localities to prioritise economic competitiveness. The subordination of the local state to capital accumulation is not new, since it also marked the postwar boom; it is rather that this subordination is taking new, more explicit, forms (HALL and HUBBARD, 1996). This pressure then encourages local interests to sink their differences and to form a consensus in the interests of the locality as a whole: internationalisation elicits localistic ideology. This can build on the day-to-day interdependencies between individuals and firms within localities (COX and MAIR, 1991). A certain pluralism in the representation of diverse local interests is then possible while avoiding the conflict which marked the end of the Keynesian era.

The local specificity of policy also helps to contain conflict. Local organisation allows reproduction to be tailored more closely to the particularities of local production. Local initiatives for production or reproduction, freed from national standards, do not set precedents for other areas. Locally-specific services erode the idea of welfare as a right and allow it explicitly to be targeted to specific areas and groups. A local level of organisation also make it politically possible for capital to be given greater powers in the allocation of public spending than is possible nationally. Localism thus reduces the potential for overpoliticisation.

Business, too, is increasingly involved in local policy, motivated both by the need to address aspects of the socialisation of production (training, sectoral services, technology infrastructures, marketing, etc) and, sometimes, by concern for the local effects of poverty and social division. Capital builds legitimacy for its role in local politics by

promising to introduce business values so that localities can better compete, and by promising that it can cut through red tape and political stalemate. Legitimacy can be gained through supporting the large project - the conference centre, the sports event, the barrage, or the aquarium - that will change the locality's national and international profile.

The deep commoditisation of reproduction in the developed countries has meant that economic stagnation produces serious disruption of this sphere, which LEIs have addressed. Many local partnerships have adopted a 'people-based approach'. But the meaning of welfare has been shifted towards a labour supply function. Bottom-up initiatives promote community enterprise such as worker cooperatives, community business, enterprise training for the disadvantaged, and credit unions (MacFARLANE, 1993, McARTHUR, 1993), forms of workfare which instill work discipline. In some cases these take the form of 'poverty partnerships', with community development trusts linking self-help groups with the major institutions in the area (GILROY, 1996). Thus a crisis of commoditised reproduction has, paradoxically, been met by a partial commoditisation of welfare. The elements of collectivity in these initiatives are real; yet their subordination to the capitalist wage relation has generally defused their radical potential.

The restructuring of the local state can thus be understood as the development of new ways of addressing the local socialisation of production and reproduction. It involves a dialectic of intensified international competition and national neoliberalism on the one hand and local specificity, solidarity, and partnership on the other. The local scale and the local specificity of policies for socialisation reduce the danger of excessive politicisation, and hence allow a greater democracy and pluralism than at the national scale.

5. The fragmentation of the local state

While LEIs have grown, and local discretion in reproduction services has increased, there has nevertheless tended to be an organisational fragmentation of the local state. While less pronounced in continental Europe (BATLEY and STOKER, 1991), in the US and Britain LEIs, including those funded by the state, have been delivered by an ever-increasing plethora of agencies with responsibility for particular aspects of the economy or particular neighbourhoods and with weak overall coordination. These countries have also seen the strongest moves to privatised supply of local services. Businesspeople have played an increasing, indeed in many cases dominant, role in running the new quangos.

This fragmentation has been a response to the excessive politicisation at the end of the Keynesian era, which arose partly because local authorities were responsible for a wide range of functions. The breadth of their responsibilities allowed them to respond to some extent to the holism of social life. Pressures from below could be transmitted throughout the local state as effective action in one field often required corresponding action elsewhere. In other words, the universalistic and holistic aspects of the local state presented political problems. The organisational fragmentation of the local state weakens the demands made on it by reducing expectations; the fragmented agencies can pass the buck. Part of the fragmentation has been along ethnic or cultural divides, emphasising cultural differences among oppressed groups *in opposition to* class similarities in postmodern fashion, with the effect of fragmenting working class responses (TAYLOR-

GOOBY 1994; WOOD, 1990). Moreover, control of agencies by businesspeople tends to shield their activities from excessive demands.

The fragmentation of the local state is a means of managing class struggle through functional and spatial divisions. It is particularly pronounced in the US and Britain due to the historical strongly liberal polity of these countries. But it is a longstanding feature of US politics, whereas in Britain it has occurred over the last two decades as a response to the particularly fierce conflicts which engulfed British local government in the transition from boom to stagnation, again suggesting the link between overpoliticisation and state fragmentation.

Fragmentation allows the development of innovatory forms of socialisation that the unified local state found difficult. This is partly because the new quangos and networks permit experiments in socialisation that would previously have been stifled by the power of the professions and unions. But, more importantly, it is because the quangos are freer from public scrutiny, expectations, and accountability. Thus community businesses and cooperatives are an innovative form of welfare. Property development in politically sensitive inner areas has in some instances been socialised through partnerships with the voluntary sector, combining community gains and private profit (JACOBS, 1992, p.242). Privatising local authority services has sometimes weakened racist barriers erected by unions, thus increasing openness in labour markets. Social housing has been linked to training and private sector investment through housing associations. In some areas, the British City Challenge programme ties spending on social infrastructure to opportunities for growth in a way that the local state has always found difficult. Thus socialisation programmes have been more strongly linked to local specificities and uneven development. The effects are both neoliberal *and* social democratic; they should be understood as the products of a particular conjuncture of struggle rather than of clear political ideology. We shall see in the next section that the fragmentation of the local state has also had its contradictions.

Having sketched a theorised account of the state in LEIs, we now turn to a critique of the approaches dominant in the literature.

6. Functionalism: the state services capital.

In the 'globalising' perspective, internationalisation underpins a triumph of capital over the state, either through a retreat of the state or through its slavish attention to capital's demands. Internationalisation decreases the ability of the state to regulate the nation economy, bids down tax rates and regulatory regimes, and requires states to act directly to enhance international competitiveness. LEIs are seen as a new phase of local politics within which welfare is subordinated to economic performance. This is pursued through deregulation, tax cutting, and fragmentation of labour; in some localities these are supplemented by policies to capture mobile investment (subsidies, infrastructures, property). In either case, globalisation and centralisation of capital spell the long-term decline of local government autonomy (COCHRANE, 1993).

An important instance of this approach, particularly in the US, has been the portrayal of the 'capture' of the local state by particular fractions of capital. The growth coalition literature portrays city policy as controlled by fractions of capital dependent on local markets (utilities, property, media, etc), and which organise to attract mobile capital. The

interests of both the locally-dependent sections of capital and of the mobile capital to be attracted are taken as unambiguous and the processes through which they dominate as unproblematic (LOGAN and MOLOTCH, 1987; HARDING, 1996). In Britain one could diagnose the political or directly organisational dominance of local policy by particular sections of capital. Multinational finance and property capital has dominated the redevelopment of London's docklands. Leadership of many Local Enterprise Agencies has come from small manufacturing firms representing backward industrial capital, or from large industrial firms that are rationalising their operations such as Pilkingtons in St. Helens (MOORE and RICHARDSON, 1989) or ICI on Teeside (BEYNON, HUDSON and SADLER, 1994). Such a focus on capital fractions is not so much wrong as too narrow.

A first problem with the functionalist approach is that, in its confidence that the state is dominated by capital, it misses the particular processes and struggles through which this *may* occur. Thus we have argued that current developments in the internationalisation of capital should be seen not as a (technically- or economically-given) fact but as a particular political strategy adopted in response to a specific political conjuncture (section 2). Similarly, in examining the examples of 'capture' of the local state above, one needs to ask: why did the needs of these fractions lead to state responses at this particular time, why were certain needs met and others not, and why were they met in these ways (for example public versus private provision)?

A second problem is that the 'needs' of capital assumed by the functionalists are themselves contradictory. Private appropriation of surplus value depends upon forms of socialisation of production which weaken private property; discipline over labour has to proceed alongside cooperation; and so on (section 2; GOUGH and EISENSCHITZ, 1996; GOUGH, 1996a). The form and policies of the state therefore cannot be read off from some non-contradictory needs of capital, and there cannot be policies that unequivocally reflect the triumph of capital. One implication is that alternative strategies are possible in which the local state and local labour are not subordinated to capital mobility; we consider the problems of these alternatives in the next two sections. Another implication is that many current policies inspired by neoliberalism have severe problems, arising from their privileging of one side of capital's contradictory dynamics: in attempting to discipline firms and labour, to increase sectoral and spatial mobility, and to diffuse and defuse demands on the state, they neglect effective socialisation and the potential of the universalist state (COX, 1993).

A case in point is the ill effects of the organisational fragmentation of LEIs. As we have seen, due to the lack of political accountability the agencies have greater room for manoeuvre than local government in creating new forms of coordination. But the complementarities of different programmes become more difficult to realise because of the agencies' narrow remits and funding tied to crudely measured inputs and outputs, backed up by the traditional empiricist method of policy making within which each issue can be dealt with in isolation. As a result, important potential forms of socialisation are neglected. Thus Fainstein (1994, pp 248-52) has shown how in US cities institutional fragmentation weakens the socialisation that could enable stable growth rather than speculative bubbles; in many cities congestion and environmental degeneration are consequences. Thus leading sections of capital as well as of labour call for greater

coordination and accountability of the relevant agencies (NATIONAL AUDIT COMMISSION, 1989).

Socialisation is also hindered by business control of regeneration agencies. It is damaging for individual capitals to express their own rather than capital's collective interests in local renewal. The interests of retailers, developers and finance are often prominent, but they are not necessarily the most relevant for the extended reproduction of capital. As Peck (1995) shows, business-dominated agencies often lack knowledge and oversight of the local economy, and are unable to develop any real strategies; as a result they indulge in short term fire-fighting and ill-considered spectacular projects. Their legitimacy can also be a problem. It is true that in the US and Japan they benefit from the unchallenged hegemony of business, while in Britain in the 1980s business had some success in projecting itself as a hard-headed alternative to inefficient and overpoliticised local government. But this legitimacy is precarious: as the new agencies fail to deliver, as their projects are unmasked as biased by the short term and narrow vision of their board members or as actually corrupt, they come under attack and their previously wide room for manoeuvre disappears (COLENTT and TANSLEY, 1990). In contrast, the local state in its traditional form had the potential to recuperate from its failures through being seen to respond to popular pressure. Only bodies with wide social acceptability and with powers over the economic, social and physical aspects of local regeneration have the autonomy to resist sectional interests and undertake such delicate tasks as the reproduction of labour and of consensual class relations. Thus the capital-functionalist view misses the advantages for capital of an autonomous local state.

A final instance of the inadequacy and ambiguity of functionalist thought is the use of the terms 'entrepreneurial city', 'entrepreneurial planning', and so on to characterise the new local politics. These can denote a 'globalising' state which subordinates itself to the immediate demands of capital and land markets, and whose priorities and methods are those of a business enterprise. But this misleadingly implies that a local state which behaves *like* a business thereby serves the *best interests* of business. Alternatively, 'entrepreneurialism' could equally well signify a pluralist state which implements a strong, visionary and risky strategy for the local economy (COOKE and REES, 1985). By treating business as having non-contradictory dynamics and interests, the term elides this important difference.

7. Pluralism with a strong local state

We have seen that the development of LEIs has involved a remarkable degree of pluralism - remarkable because of its contrast with the tendency of the contemporary national state to distance itself from civil society, especially from non-business interests. LEIs have also attempted to address forms of socialisation at the local level, sometimes being quite explicit about the need for increased coordination of economic actors and the failures of markets to achieve this (section 4). These tendencies have been seized on to argue the possibility and desirability of stronger forms of LEIs. This strategy promises the creation of real consensus and democracy, against the social divisiveness and authoritarianism of neoliberalism. It promises a more efficient local economy, through better infrastructural provision, stronger coordination between local firms and institutions (SCOTT, 1992), possibly in flexible-specialist sectors (HIRST and ZEITLIN, 1989;

SABEL *et al.*, 1989), cooperative rather than antagonistic industrial relations (BOWLES *et al.*, 1990, pp.174ff), and better reproduction of labour power. It emphasises the social dimension to productivity (PANITCH, 1994, pp.81-2). Consensus rather than social division is seen as beneficial for productivity; an economy which is socially integrated, through stakeholding or self-management, is seen to be more innovative. A range of strategies for the social wage is possible once the essential link between the private and the public has been made - community enterprise, housing co-operatives, workplace democracy or self-help initiatives. Local pluralism seeks to empower disadvantaged groups, or even prefigure alternatives to capitalism. In its strongest form, this approach argues that the 'jungle law' of neoliberalism needs to be countered by strong LEIs as part of a spatially coordinated response for labour (TICKELL and PECK, 1995). Thus, although internationalisation of capital is acknowledged, strong local socialisation and territorial embeddedness are seen as compatible and indeed complementary to it.

A renewed and strengthened local state may be a part of this approach. Faster economic growth provides the basis for higher state spending. The local state has the greatest means for developing new forms of socialisation, particularly through its ability to span the economic, political and social. Residents, labour and sections of business which have suffered from neoliberalism can obtain renewed influence over the local state, and this will restore the legitimacy and hence flexibility of local government.

This analysis and political programme contain serious flaws, however. Firstly, the pluralist view fails to see neoliberalism's logic in class relations. It sees neoliberalism as *weakening* the state, so that the progressive response should be to strengthen it. But neoliberalism depends upon a highly developed state which has not necessarily lost power to capital (PANITCH, 1994, pp.66ff). Not only has it enhanced the globalisation of capital, but state power has been centralised and concentrated internationally. The national state uses market-based methods to continue its intervention (see BRYAN (1996) for the case of exchange rates). Moreover, neoliberalism has attended to socialisation (section 5), extending and restructuring it internationally and nationally. There is not a simple vacuum to fill (DESAI, 1996). The mistake of the pluralists here is to see capital and the state as opposite poles of a single variable, so that more of the first implies less of the second.

Secondly, pluralists picture social democratic LEIs as an alternative to neoliberalism (GLC, 1985; HIRST and ZEITLIN, 1989; SCOTT, 1992). However, mainstream LEIs are so popular precisely because they *complement* national neoliberalism's concern with the reestablishment of class discipline. The degree of political openness found in mainstream LEIs has been constrained by the ideology of the unity of the locality and by inter-local competition, and thus has not presented a fundamental challenge to neoliberalism (GOUGH and EISENSCHITZ, 1996).

It is true that the active participation of interest groups in pluralistic LEIs *can* be developed in ways which go beyond the bounds of neoliberal discipline. For example, the demands of the furniture workers' union in the restructuring of the London furniture industry by the Greater London Enterprise Board in 1985 started to go beyond the type of restructuring envisaged by the employers and the Board (FTAT, 1986). But such class conflict is neither theorised nor sought by pluralists; and in fact the planning of the London furniture industry subsequently excluded the workforce. We see here, then, the key contradiction of the pluralist strategy: that when the local state acts in a universalistic

mode, it may unleash demands which go beyond the limits of orderly value regulation or those currently acceptable to capital, limits which the pluralist strategy is concerned to respect (EISENSCHITZ and GOUGH, 1996).

Finally, despite the ostensible openness of the pluralist viewpoint, it contains an implicit economic premise: that the political tensions of pluralistic LEIs can be contained because of the superior productive efficiency which they enable. The discourses of pluralistic LEIs imply that the productive logic of addressing local socialisation is overwhelming, and will benefit all parties, so that political tensions do not have to be considered (e.g. COOKE, 1989a; STORPER and SCOTT, 1989; SCOTT, 1992). This glosses over the undermining of socialisation by capital mobility, value regulation and strident private interests.

8. Libertarian pluralism: celebrating the decline of the state

While some pluralist commentators on LEIs argue for a model with a substantial role for the local state, others, on both right and left, celebrate its organisational weakening and fragmentation. The right presents its restructuring of the local state as empowering diverse groups and individuals, as creating a pluralistic local democracy, and hence as enabling greater local diversity. Local taxation and spending are to be disciplined by pressures from *local* interests, the empowering of resident and business taxpayers against the state. These localistic, anti-state policies complement the right's key spatial policy, the encouragement of local and workplace bargaining, wage setting and profit sharing. All these reforms enable the creation of new, locally-specific linkages within civil society. Even the centralising Conservative government in Britain incorporated local variation and involvement of community interests into its urban programmes in the 1990s. While this self-presentation of the right has some substance in the achievements of LEIs (section 5), it is fundamentally misleading in failing to acknowledge the class struggle which powers the forms of recent LEIs.

The fragmentation of the local state has also been embraced by currents on the left, particularly by associationalists and some postmodernists, who argue for a strengthening of economic, social and cultural networking within civil society free from the dead hand of the state. It is argued that the state is decreasingly able to steer the economy due to the increasing complexity of the division of labour and technological knowledge and the increasing variety and rate of change of demand in postmodern society (SAYER, 1995). LEIs should then pursue a 'third way' between state and market; the seeds of this approach are to be found in community economic initiatives such as production and consumption cooperatives, community businesses, local technology and design networks, and in democratised industrial districts (AMIN and THRIFT 1995; WAINWRIGHT, 1994, Ch.6). Diverse stakeholders, rather than merely producer interests, would be empowered (IMRIE and WILKS-HEEG, 1996). This strategy combines the flexibility and freedoms of the market with the moral stability of traditional societies, and enterprise with a voice for the disadvantaged, while local difference counters neoliberal tyranny and global homogenisation. Rather than the collective social interests of traditional pluralism, this variety of pluralism is usually grounded in an ontological individualism or in highly deconstructed social groups (GIBSON-GRAHAM, 1996).

A first problem with this approach is that it is unclear why the values of the oppressed should dominate in a system of independent enterprises linked through markets and networks, particularly as organisation and politics aimed at uniting the working class are rejected (WOOD, 1990, pp.63ff). Outcomes would depend strongly on degree of power in the labour market or in the final markets of enterprises, and thus tend to be inequalitarian (GOUGH, 1986). Democracy in the sense of majority control over the general directions of economic and social development is absent. Funding from the state to independent agencies and enterprises would necessarily involve few checks. Why, then, should *the right's* version of libertarianism not be realised?

Secondly, both the right and left libertarians misread the weakening of the (local) state. This cannot be read off from technological complexity, global markets and extension of the division of labour, but is a response to class tensions in processes of socialisation (sections 3-5). There is nothing inherent in modern advanced economies which prevents strong forms of prior coordination between enterprises - except power and politics. It is technically feasible to have much stronger forms of economic coordination by capitalist local states than are currently being attempted, and a socialist state could organise these to enhance rather than harm both productive efficiency and social freedom (GOUGH and EISENSCHITZ, 1997). But these require a strategy of strengthening the unity of the working class against capital to which the left pluralists are opposed.

9. The regulation approach

The most theoretically elaborate analyses of the local state and LEIs have been within the regulation approach (ESSER and HIRSCH, 1989; *Economy and Society* Special Issue, 24 (3)). The crisis tendencies of capitalism are modulated, and episodically contained, by 'regimes of accumulation' which organise value production and distribution, and which depend on wider political, social and cultural forms embodied in 'modes of regulation'. Regulationists themselves acknowledge that their theorisation of the mode of regulation and the state is weak (PECK and TICKELL, 1992; JESSOP, 1995; PAINTER and GOODWIN, 1995). Some regulationists have attempted to meet charges of functionalism and schematism by emphasising agency, indeterminacy, and political and discursive construction of regimes (PAINTER and GOODWIN, 1995; HAY, 1995). Some, though not all, regulationists detect an emergent post-Fordist regime at the national level, though this may be taking diverse forms: neoliberalism (JESSOP, 1991), German, Californian or Japanese flexible accumulation (LEBORGNE and LIPIETZ, 1988; JESSOP, 1993), or potentially left forms (LIPIETZ, 1992). Some regulationists see the contemporary *local* state as emergently post-Fordist (STOKER, 1990; PAINTER, 1991), or as a 'Schumpeterian workfare state' (JESSOP, 1993; GOODWIN, DUNCAN and HALFORD, 1993); others argue that there is no mode of regulation even emergent, in particular at the local level (PAINTER and GOODWIN, 1995; PECK and JONES, 1995; TICKELL and PECK, 1995; HAY, 1995).

An extensive critique of this approach has been given elsewhere (GOUGH, 1996a; 1996b; see also COCHRANE, 1993, Ch.5), and so we will give here only a condensed argument. Firstly, much of the regulationist literature uses stylised accounts deployed as ideal types, whose relationship to the complexities of temporal and spatial variation is

unclear. The presentation of the (local) state as ‘Schumpeterian workfare’, for example, rests on the assertion that the state’s concern with production and with linking reproduction to accumulation is a new development, contrasted with a ‘Fordist’ state which was concerned only with the circulation of value (demand). But national and local states during the postwar boom were deeply involved in industrial policy (most obviously in Japan, West Germany and France); and universalist welfare was often an effective means, economically and politically, of meeting capital’s demands for labour power. This regulationism thus schematically mis-specifies the difference of the present period from the boom.

Secondly, the variety of phenomena which have been dubbed ‘post-Fordist’ suggest that the thesis of a new epoch is questionable. This variety would not matter if the *contradictions underlying* possible variations of the new regime were analysed, and if the *production by political struggle* of different national and local varieties of post-Fordism was explored. But Jessop (1992) explicitly rejects such a method, arguing that if the development of analysis from abstract to concrete forms throws up contradictions then the initial abstractions must be faulty. Hence, despite frequent protestations that agency and struggle are important, regulationists constantly revert to arguments within which the logic of a new regime imposes itself willy-nilly. Thus Goodwin, Duncan and Halford argue that “the state itself needs to be regulated so that its structures and strategies can be used to forge a new social and political settlement” and that in fact “[t]he state...is [actually] shifting its position to facilitate new modes of regulation” (1993, p.84) which are “appropriate ... for a post-Fordist mode of growth” (p.85). A stylised account of the current behaviour of the local state is portrayed as structural-functionalist necessity.

The central difficulty of the regulation approach is the relation between the economic and the political. The regulationist literature oscillates in its view of the causal relation between the regime of accumulation and the mode of regulation. In some regulationist accounts technical-organisational innovation within production or wider changes in the regime of accumulation are primary, with the mode of regulation following. Class struggle and politics at most shift the social formation from one more-or-less stable regime to another. Current change in the local state is seen as driven by, or at least somehow meeting, technical-organisational change in production (STOKER, 1990; PAINTER, 1991; GOODWIN, DUNCAN and HALFORD, 1993), an economic view we have already criticised. This approach neglects the moments of social crisis centred on the state, such as the crisis of British local government in the 1970s.

On the other hand, the mode of regulation is sometimes pictured as the determinant of the regime of accumulation. The mode of regulation is a realm of freedom of political action and choice, giving the potential for a variety of post-Fordisms including progressive variants; regulationists here converge with radical pluralists. Thus Painter and Goodwin (1995: 338-9) argue that regulationism reverses what they claim as the orthodox marxist causality from the economic to the political and cultural, being concerned to show how *given* political and cultural structures determine the regime of accumulation. [4] They acknowledge the implication that regulationism cannot theorise the political and cultural; the local state can only be theorised by an *additional* theory of the state, outside of regulation theory (cf. HAY, 1995). This approach gives undue autonomy to the state and neglects the constraints imposed upon it by value discipline, capitalist power and contradictions of accumulation. Thus Hay (1995) argues that

Thatcherism's identification of the causes of economic failure as strong trade unions and the state had no basis in reality and was essentially a discursive-political strategy. But, while Thatcherism is *one-sided* in its view, it does have a real logic in contemporary social relations (section 3).

This oscillation between technical determinism and political voluntarism is a sign that the conceptual framework of regulationism is faulty. Regulationists do not recognise that *the relation between mode of regulation and regime of accumulation, between economy and state, cannot be specified in the abstract because it is itself produced by class struggle*. The degree of autonomy of the state from capital and the mode in which the state mediates capital's contradictions are a matter of struggle in every site of the social formation (sections 3-5; CLARKE, 1991b; BONEFELD and HOLLOWAY, 1991). This struggle and the resulting state forms are historically and spatially specific and unstable, something reflected in, but not theorised by, the instabilities of regulationist accounts of local politics.

10. The local-national state division as social relations

The discussion so far enables us briefly to consider some theorisations of the relation between national and local government. The 'dual state thesis' argued that the national state is responsible for production, the local for the reproduction sphere. This is problematic empirically, in that local government in the late nineteenth and early twentieth century was *directly* concerned with production, and this involvement has been revived with the recent growth of LEIs. Even in an advanced economy, there are many forms of socialisation of production which are local. Moreover, the dual state thesis underestimates the *mutual dependence* of production and reproduction at all spatial scales; a striking feature of recent LEIs is the ways in which they address themselves to the connections between the two spheres (EISENSCHITZ and GOUGH, 1993, Ch.6). Dual state theory is unhelpful because it rests on a Weberian (SAUNDERS, 1981) or structural-functionalist marxist (CASTELLS, 1977) separation of the economic and the social.

A more productive theorisation of the local state has been developed by Duncan and Goodwin (1988). They see the origin of the local state as lying in spatial uneven development: local government is able to address the specificities of local areas. This has certainly been an important dimension of the development of LEIs, of both neoliberal and social democratic hues. Neoliberal strategy has sought to accentuate and exploit cost *differences* between localities, and to encourage localities to compete through bidding down taxes and wages (section 8). Pluralist social democratic strategy has sought to exploit local *peculiarities* in order to compete, and it has sought to develop local patriotism and a sense of local *difference* as a basis for consensus in policy making. This strategy, however, indicates an element which is underplayed in Duncan and Goodwin's account: that the promise of the local state lies partly in its ability to engage with the social relations *internal* to locality, with local networks and power relations, whether or not they are *specifically* local. LEIs have been centrally concerned with the shaping of these relations, and a *local state*, embedded in local civil society, has facilitated this.

The last point suggests an element in the local-national state relation which has been missing from previous theorisations: that in some conjunctures the *social relations* of the

state may be scale-dependent. We have seen that LEIs have in general embodied more pluralistic relations than those of the national state. These have been enabled by *local scale*, particularly by localism rooted in everyday local interdependencies and by the threat posed by the high degree of mobility of capital between localities (section 4). An adequate theorisation of the local-national state relation needs to incorporate a consideration of these scale-dependent relations in both their material and ideological aspects. This requires the state to be conceived fundamentally as a set of social relations rather than an institution with particular functions.

11. Conclusion

We have argued for an approach which sees the state as expressing and giving new form to the contradictions of capital accumulation and class relations. Central to our account have been the following internally related contradictions:-

(a) *the contradiction between individual capitals and capital as a whole, between private profit and the socialisation of production.* We have seen that the development of national neoliberalism was an attempt to overcome the political tensions of Keynesian socialisation through accentuating private responsibility, and that LEIs have been able to develop new, local forms of socialisation;

(b) *the contradiction between mobility and fixity.* Neoliberalism has used international mobility of productive, financial and commodity capital to impose value and class discipline. Mainstream LEIs, in contrast, have attempted to create economic and cultural commitments to locality, albeit using international markets and finance. But these local initiatives can be destabilised by international mobilities, and the territorial limitation of the local state hinders its effectiveness;

(c) *struggle between capital and labour, and the contradiction between cooperative and disciplinary class relations.* While national and international neoliberalism has sought to reinforce capital's control over labour, mainstream LEIs have been able to mobilise more consensual class relations. The spatial scale of the state, and the degree of capital mobility sought by policy, are involved in the development of these distinctly local class relations; geography can matter to the social relations of the state.

(d) *the contradiction between the autonomy and holism of the state and its fragmentation, empiricism and involvement with particular interests.* The local state is better able to organise the socialisation of production to the extent that it is autonomous from particular local interests and has the powers and resources to undertake comprehensive programmes. But, in the US and Britain particularly, such autonomy would risk excessive pressures being placed on the local state, from which it is shielded by organisational fragmentation. Fragmentation, however, limits the effectiveness of its interventions and renders it vulnerable to excessive influence by particular sections of capital;

(e) *the contradiction between the universal and the partial dynamics of the state.* Under pressures from both classes, the local state attempts to develop the forces of production, including the capacities of labour power; but these policies are necessarily dependent on the profits and investment of individual capitals and are thus subject to their partial interests. Pluralism focuses on the former aspect of the state, capital-functionalism on the latter; but these opposites are mutually constructing. The state's organisation of

production in the interests of efficiency and rationality is always enmeshed with exploitation and the valorisation of fictitious capital. While one tendency of the state is to develop an 'industrial' or 'information' society which is not specifically capitalist (SAYER, 1995, pp.196-8), its interventions never escape the class forms that industry and information take in an capitalist society.

This approach allows a better understanding of the role of the state in LEIs than the assumptions dominant in the literature. The 'globalising' and functionalist view focuses on one side of the contradictions above - on private decision making by individual capital, on mobility, on the fragmentation of the local state, on its subordination to individual capital, and on disciplinary class relations, while the 'localist' and pluralist view focuses equally one-sidedly on the socialisation of production, on fixity, and on cooperative class relations; each approach then misses many of the important tensions and instabilities of the state. The pluralist approach may see local consensus as resting on an autonomous and powerful local state able to serve the interests of society as a whole, or on a local state subordinated to civil society; but in neither case does pluralism understand the tensions between the autonomy and the fragmentation of the state and between its universal and partial achievements. Both the functionalist and pluralist views rest on economic readings of the state: functionalism understands the subordination of the local state to the mobility of capital as technically given, while pluralism sees local socialisation and cooperation as stable because of their productive logic. We have argued, rather, that both of these should be seen as contradictory strategies, at once economic, cultural and political.

Notes

1. As Cox (1995) has pointed out, much of the 'world cities' literature is based on world systems theory, which posits a high degree of capital and commodity mobility, with a focus on market exchange rather than production. This contrast between mobility through markets and fixity of production is a central theme of this paper.

2. A further theorisation is in the Weberian tradition of seeing state officers and politicians as being substantially able to pursue their own agendas (KING, 1987; GURR and KING, 1987, Ch.2). In this vein, left commentators have sometimes blamed the local state bureaucracy for blocking progressive LEIs (MACKINTOSH and WAINWRIGHT, 1986). This view mistakes the real autonomy of the state from civil society and the policy choices this allows for the autonomous interests and discretion of state personnel.

3. A common alternative interpretation of neoliberalism sees it as essentially irrational and regressive, even for capital (GLC, 1985; HIRST and ZEITLIN, 1989; STORPER and SCOTT, 1989; PECK, 1996). This view focuses on socialisation of production and neglects capital as value. For a critique see Gough (1996b; 1996c).

4. Painter and Goodwin argue that regulationism focuses on non-necessary relations, in contrast to the necessary relations of classical marxism. Their approach thus sets up a series of congruent non-dialectical dualisms in Althusserian fashion: necessary/contingent: economic/political: structure/agency.

References

- AMIN A. and THOMAS D. (1996) The negotiated economy: state and civic institutions in Denmark, *Economy and Society* **25**, 255-281
- AMIN A. and THRIFT N. (1992) Marshallian nodes in global networks, *International Journal of Urban and Regional Research* **16**, 571-87
- AMIN A. and THRIFT N. (1995) Institutional issues for the European regions: from markets and plans to socioeconomics and powers of association, *Economy and Society* **24**, 41-63
- AVINERI S. (1968) *The Social and Political Thought of Karl Marx*. Cambridge University Press, Cambridge.
- BATLEY R. and STOKER G. (Eds) (1991) *Local Government in Europe: trends and developments*. Macmillan, Basingstoke
- BEYNON H., HUDSON R and SADLER D. (1994) *A Place Called Teesside*. Edinburgh University Press, Edinburgh
- BIENEFELD M. (1994) Capitalism and the Nation state in the dog days of the twentieth century, in PANITCH L. (Ed) *Socialist Register*, pp. 94-129. Merlin, London
- BLOWERS A. (1982) Much ado about nothing - a case study of planning and power, in HEALEY P., McDOUGALL G. and THOMAS M. (Eds) *Planning Theory*, pp. 140-160. Pergamon, Oxford
- BOLAND P. (1996) Regional development strategies in Europe: a summary of the key issues, in ALDEN J. and BOLAND P. (Eds) *Regional Development Strategies: a European perspective*, pp. 296-304. Jessica Kingsley Publishers, London
- BONEFELD W. (1993) *The State Formation and the Development of the State under Monetarism*. Dartmouth, London
- BONEFELD W. and HOLLOWAY J. (Eds) (1991) *Post-Fordism and Social Form*. Macmillan, London
- BRYAN R. (1996) "Deregulation" as a neoliberal construct: implications from the Australian experience, mimeo, Department of Economics, University of Sydney, Sydney, NSW 2006, Australia
- BOWLES S., GORDON D. and WEISSKOPF T. (1990) *After the Wasteland: a democratic economics for the Year 2000*. Sharpe, New York
- BURAWOY M. (1985) *The Politics of Production*. Verso, London
- CASTELLS M. (1977) *The Urban Question*. Edward Arnold, London
- CASTELLS M. (1989) *Information City*. Blackwell, Oxford
- CLARK G. and DEAR M. (1984) *State Apparatus: structures and language of legitimacy*. Allen and Unwin, Boston
- CLARKE S. (Ed.) (1991a) *The State Debate*. St Martins Press, New York
- CLARKE S. (1991b) State, class struggle, and the reproduction of capital, in CLARKE (1991a), pp. 183-203
- COCHRANE A. (1993) *Whatever Happened to Local Government?* Open University Press, Milton Keynes
- COLENTT B. and TANSLEY S. (1990) *Inner City Regeneration*. Centre for Local Economic Studies, Manchester
- COOKE P. (1989a) Locality, economic restructuring, and world development, in COOKE P. (Ed) *Localities*, pp. 1-44. Unwin Hyman, London

- COOKE P. (1989b) *Back to the Future: modernity, postmodernity and locality*. Unwin Hyman, London
- COX K. (1993) The local and the global in the new urban politics: a critical view, *Environment and Planning D: Society and Space* **11**, 433-48
- COX K. (1995) Globalisation, competition and the politics of local economic development, *Urban Studies* **32**, 213-24
- COX K. and MAIR A. (1991) From localised social structures to localities as agents, *Environment and Planning A* **23**, 197-213
- DAS R. (1996) State theories: a critical analysis, *Science and Society* **60**, 27-57
- DESAI M. (1996) Debating the British disease: the centrality of profit, *New Political Economy* **1**, 79-93
- DUNCAN S. and GOODWIN M. (1988) *Uneven Development and the Local State*. Polity Press, Cambridge
- DUNFORD M. and KAFKALAS G. (Eds) (1992) *Cities and Regions in the New Europe*. Belhaven Press, London
- EISENSCHITZ A. and GOUGH J. (1993) *The Politics of Local Economic Policy*. Macmillan, Basingstoke
- EISENSCHITZ A. and GOUGH J. (1996) The contradictions of neo-Keynesian local economic strategy, *Review of International Political Economy* **3**, 434-58
- ESSER J. and HIRSCH J. (1989) The crisis of fordism and dimensions of a 'postfordist' regional and urban structure, *International Journal of Urban and Regional Research* **13**, 417-37
- FAINSTEIN S. (1994) *The City Builders*. Blackwell, Oxford.
- FRIEDMAN A. (1977) *Industry and Labour*. Macmillan, Basingstoke
- FRIEDMANN J. (1996) Rethinking poverty: empowerment and citizen rights, *Int. Journ. Soc. Sci.* **148**, 161-172.
- FRIEDMANN J. (1986) The world city hypothesis, *Development and Change* **17**, 69-83
- FURNITURE, TIMBER AND ALLIED TRADE UNION (1986) *Beneath the Veneer*. FTAT/LSPU, London
- GARCIA S. (1993) Local economic policies and social citizenship in Spanish cities, *Antipode* **25**, 191-205.
- GIBSON-GRAHAM J.K. (1996) *The End of Capitalism (As We Know It)*. Blackwell, Cambridge, Mass.
- GILROY R. (1996) Building routes to power, *Local Economy* **11**, 248-258
- GOODWIN M., DUNCAN S. and HALFORD S. (1993) Regulation theory, the local state, and the transition of urban politics, *Environment and Planning D: Society and Space* **11**, 67-88
- GOUGH J. (1986) Industrial policy and socialist strategy: restructuring and the unity of the working class, *Capital and Class* **29**, 58-82
- GOUGH J. (1996a) Not flexible accumulation: contradictions of value in contemporary economic geography, Part 1: Workplace and inter-firm relations, *Environment and Planning A* **28**, 2063-2079
- GOUGH J. (1996b) Not flexible accumulation: contradictions of value in contemporary economic geography, Part 2: Regional regimes, national regulation and political strategy, *Environment and Planning A* **28**, 2179-2200

- GOUGH J. (1996c) Neoliberalism and localism: comments on Peck and Tickell, *Area* **28**, 392-8
- GOUGH J. and EISENSCHITZ A. (1996) The construction of mainstream local economic initiatives: mobility, socialisation and class relations, *Economic Geography* **76**, 178-95
- GOUGH J. and EISENSCHITZ A. (1997) The division of labour, capitalism and socialism: an alternative to Sayer, *International Journal of Urban and Regional Research* **21**, 23-37
- GREATER LONDON COUNCIL (1985) *London Industrial Strategy*. GLC, London
- GURR T. and KING D. (1987) *The State and the City*. Macmillan, Basingstoke
- HALL J. (1987) Classical liberalism and the modern state, *Daedalus: Proc. Am. Acad. Arts and Sciences* **116**, 95-118
- HALL T. and HUBBARD P. (1996) The entrepreneurial city: new urban politics, new urban geographies? *Progress in Human Geography* **20**, 153-174
- HARDING A. (1996) Is there a 'new community power' and why should we need one?, *Int. Jnl. Urb. Reg. St.* **20**, 637-655
- HARRISON B. and BLUESTONE B. (1988) *The Great U-Turn: corporate restructuring and the polarizing of America*. Basic Books, New York
- HAY C. (1995) Restating the problem of regulation and re-regulating the local state, *Economy and Society* **24**, 387-407
- HIRST P. and THOMPSON G. (1996) *Globalisation in Question*. Polity, Cambridge
- HIRST P. and ZEITLIN J. (Eds) (1989) *Reversing Industrial Decline?* Berg, Oxford
- HOLLOWAY J. (1991) The state and everyday struggle, in CLARKE (1991a), pp. 225-59
- IMRIE R. and WILKS-HEEG S. (1996) Stakeholding and the local economy, *Local Economy* **11**, 2-6.
- JACOBS B. (1992) *Fractured Cities*. Routledge, London
- JESSOP B. (1991) Thatcherism and flexibility: the white heat of a post-Fordist revolution, in JESSOP B., KASTENDIEK H., NIELSEN K. and PEDERSEN O. (Eds) *The Politics of Flexibility*, pp. 135-61. Edward Elgar, Aldershot
- JESSOP B. (1992) Fordism and post-Fordism: a critical reformulation, in STORPER M. and SCOTT A. (Eds) *Pathways to Industrialization and Regional Development*, pp. 46-69. Routledge, New York
- JESSOP B. (1993) Towards a Schumpeterian workfare state? preliminary remarks on post-Fordist political economy, *Studies in Political Economy* **40**, 7-39
- JESSOP B. (1995) The regulation approach, governance and post-Fordism, *Economy and Society* **24**, 307-33
- JOHNSTON R. (1989) The state, political geography, and geography, in PEET R and THRIFT N. (Eds) *New Models in Geography*, Vol 1, pp. 292-309. Unwin Hyman, London
- KING D. (1987) The state, capital and urban change in Britain, in SMITH M. and FEAGIN J. (Eds) *The Capitalist City*, pp. 215-237. Blackwell, Oxford,
- LEBORGNE D. and LIPIETZ A. (1988) New technologies, new modes of regulation: some spatial implications, *Environment and Planning D: Society and Space* **6**, 263-80
- LIPIETZ A. (1992) The regulation approach and capitalist crisis: an alternative compromise for the 1990s, in DUNFORD and KAFKALAS, pp. 309-34

- LOGAN J. and MOLOTCH H. (1987) *Urban Fortunes* University of California Press, Berkeley
- LOVERING J. (1988, The local economy and local economic strategies, *Policy and Politics* **16**, 145-157
- MacFARLANE R. (1993) Community based economic development: the British experience, in FASENFEST D. (Ed) *Community Economic Development*, pp. 173-187. Macmillan, Basingstoke
- MACKINTOSH M. and WAINWRIGHT H. (1986) Introduction, in MACKINTOSH M. and WAINWRIGHT H. (Eds) *A Taste of Power*, pp. 1-19. Verso, London
- MARTIN R. (1994) Stateless monies, global financial integration and national economic autonomy: the end of geography?, in CORBRIDGE S., MARTIN R. and THRIFT N. (Eds) *Money, Power and Space*, pp. 253-78. Blackwell, Oxford
- MAYER M. (1992) The shifting local political system in European cities, in Dunford and Kafkalas, pp. 255-76
- McARTHUR A. (1993) Community business and urban regeneration, *Urban Studies* **30**, 849-73
- MESZAROS I. (1969) *Marx's theory of alienation*. Merlin, London.
- MOORE C. and RICHARDSON J. (1989) *Local Partnership and the Unemployment Crisis in Britain*. Unwin Hyman, London
- NATIONAL AUDIT COMMISSION (1989) *Urban Regeneration and Economic Development: the local government dimension*. HMSO, London
- NATIONAL COMMUNITY DEVELOPMENT PROJECT (1979) *The State and the Local Economy*. Benwell CDP, Newcastle-upon-Tyne
- NAVARRO V. (1982) The crisis of the international capitalist order and its implications for the welfare state, *Critical Social Policy* **2**, 43-62
- O'CONNOR J. (1973) *The Fiscal Crisis of the State*. St Martins Press, New York
- OHMAE K. (1995) *The End of the Nation State*. HarperCollins, London
- OLLMAN B. (1993) *Dialectical Investigations*. Routledge, New York
- PAINTER J. (1991) Regulation theory and local government, *Local Government Studies*, Nov/Dec, 23-44
- PAINTER J. and GOODWIN M. (1995) Local governance and concrete research: investigating the uneven development of regulation, *Economy and Society* **24**, 334-56
- PANITCH L. (1994) Globalisation and the state, in PANITCH L. (Ed) *Socialist Register*, pp. 60-93. Merlin, London
- PECK J. (1995) Moving and shaking: business elites, state localism and urban privatism, *Progress in Human Geography* **19**, 16-46
- PECK J. (1996) *Work-Place: the social regulation of labour markets*. Guildford Press, New York
- PECK J. and JONES M. (1995) Training and Enterprise Councils: Schumpeterian workfare state, or what?, *Environment and Planning A* **27**, 1361-98
- PECK J. and TICKELL A. (1992) Accumulation, regulation and the geographies of post-Fordism: missing links in regulationist research, *Progress in Human Geography* **16**, 190-218
- PECK J. and TICKELL A. (1994) Jungle law breaks out: neoliberalism and global-local disorder, *Area* **26**, 317-26

- PEET R. (1983) Relations of production and the relocation of United States manufacturing industry since 1960, *Economic Geography* **59**, 112-43
- PORTER M. (1990) *The Competitive Advantage of Nations*. Macmillan, London
- ROSS R. (1983) Facing Leviathan: public policy and global capitalism, *Economic Geography* **59**, 144-60
- SABEL C., HERRIGEL G., DEEG R. and KAZIS R. (1989) Regional prosperities compared: Massachusetts and Baden-Wurttemberg in the 1980s, *Economy and Society* **18**, 374-400
- SASSEN S. (1991) *The Global City*. Princeton University Press, Princeton
- SAUNDERS P. (1981) *Social Theory and the Urban Question*. Hutchinson, London
- SAYER A. (1995) *Radical Political Economy: a critique*. Blackwell, Oxford
- SCOTT A. (1992) The collective order of flexible production agglomerations: lessons for local economic development policy and strategic choice, *Economic Geography* **68**, 219-33
- STOKER G. (1990) Regulation theory, local government and the transition from Fordism, in KING D. and PIERRE J. (Eds) *Challenges to Local Government*, pp. 242-64. Sage, London
- STONE C. (1987) Summing up: urban regimes, development policies, and political arrangements, in STONE C. and SANDERS H. (Eds) *The Politics of Urban Development*. University of Kansas Press, Lawrence
- STORPER M. and SCOTT A. (1989) The geographical foundations and social regulation of flexible production complexes, in WOLCH J. and DEAR M. (Eds) *The Power of Geography*, pp. 21-40. Unwin Hyman, Boston
- TAYLOR-GOOPY P. (1994) Postmodernism and social policy: a great leap backwards? *Journal of Social Policy* **23**, 385-404
- THOMAS H. and IMRIE R. (1997) Urban Development Corporations and local government in the UK, *Tijdschrift voor Economische en Sociale Geografie* **88**, 53-64
- TICKELL A. and PECK J. (1995) Social regulation after Fordism: regulation theory, neoliberalism and the global-local nexus, *Economy and Society* **24**, 357-86
- WAINWRIGHT H. (1994) *Arguments for a New Left*. Blackwell, Oxford.
- WILLIAMS F. (1992) Somewhere over the rainbow, in MANNING N. and PAGE R. (Eds) *Social Policy Review*, 4, Social Policy Association, University of Kent.
- WOOD E. (1990) The uses and abuses of 'civil society', in MILIBAND R. AND PANITCH L. (Eds) *Socialist Register*, pp. 60-85. Merlin, London