



# Participatory Planning in Neoliberal Age

Navigating a difficult terrain

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## Abstract

This essay discursively deals with political economy of neoliberalism as a hegemonic governance framework both at global and the city scale. Riding on the lofty ideals of liberty, freedom and with a slogan of unleashing the entrepreneurial spirit of the individual, the neoliberal ideology has sought to replace regulatory role of state with that of free market. In doing so, however, the neoliberalization project has produced legitimacy problems which it seeks to deal by providing spaces for people to participate in decision making process. Some academics have argued for exploiting these spaces, for public participation, to achieve fair outcomes for society through communicative action (Habermas, 1991) while others have argued for using these spaces to upstage existing balance of neoliberal power relations through counter hegemonic movements (Purcell, 2009; Mouffe, 1991, 2000). It is, however, argued that neither Habermas's theory of 'communicative action' nor Mouffe's proposition of 'radical counter hegemonic movements can upstage the hegemony of the neoliberal ideology because the sources of power remain firmly nestled in the grasp of neoliberal institutions, both at global and city scale. The best outcomes neoliberalism can offer through these participatory spaces to planning practice are minimalist, sporadic, and contextual concessions that vary from context to context. The quantum of concessions offered to planning practices is directly proportional to the commitment of affected communities to a given cause. However, chances of upstaging neoliberalism at global scale are remote because it has a monopoly over sources of power.

The manuscript begins by introducing the neoliberal ideology in historical context against a backdrop of failure of Marxism and the "actually existing socialism" to cater for theory of politics and diverse power relations. It then enlists problems that neoliberalism produces due to its operation which justifies 'sanctioning' of spaces for public participation aimed at legitimizing its decision-making process. The next section enlists a critique of Habermasian ideal of communicative action by Purcell (2009), Mouffe (1991) and others. The following section after discussing Leclau & Mouffe's (1985,2000) proposition of counter hegemonic ideal of agonistic and radical democracy offers its critique based on Bierstedt's (1950) theory of sources of power. The essay concludes by taking a leaf from Fainstein's (2001) proposition of regulatory and enabling state.

## Introduction

Smart (2010) while commenting in the backdrop of ascendance of neoliberal politico-economic ideology in the aftermath of the collapse of 'actually existing' socialist states, holds that the works of Marx and Lenin conceived the state as the only locus of political power and hence neglected other forms of politics and power. He further argues that Marx did not produce any coherent or comparative analysis of the bourgeois class power and generated only a regional theory of exploitation which was later employed as a complete theory and condones subordination of political struggle to the economic struggle. Smart (2010) also opines that this might be the reason that the 'actually existing' socialism did not prove as a formidable adversary of capitalism and the bourgeois did not collapse with many an economic crisis in the history. He further holds that bourgeois kept bouncing back as a hegemonic

class due to the mechanisms and institutions that were present in bourgeois societies and whose dynamics went beyond economic determinism. In one such example, Harvey, (2007) holds that it was threat to the economic interests of the ruling class that led the founding fathers of the neoliberalism to reinstall their dominant position as a class project after the post-war Keynesian welfare project. Harvey (2007) further argues that the ruling classes wisely used and exploited the political ideals of liberty and freedom as sacrosanct to advance their class interests. They, he further holds, successfully propagated that not only the ideals of freedom and liberty were threatened by Fascism, Dictatorship and Communism but by all forms of top-down, bureaucratic state intervention that would impose collective choices over the individual's freedom to choose. In the following years of financial crises of the 1960s, there was a consistent critique of the Keynesian, interventionist state, by the instruments of capitalist class power. It was this motivation, he holds, that writers like Milton Friedman and the Chicago School advocated retrenchment of the state frontiers and unleashing the entrepreneurial spirit of the free market, unfettered by the regulatory apparatus of the state (Harvey, 2007b; Purcell, 2009). In short, the present neoliberal governance and planning paradigm is a result of consistent ideological and class-based struggle of an elite that felt threatened by the rise of socialism and a wave of better distributive and welfare regime under Keynesian interventionist state. Neoliberalism as presently identified by competitive free market, commodified private property and retrenched regulatory state, is meant for the benefit of capital rather than citizens (Fainstein, 2001; Harvey, 2007b; Purcell, 2009).

Neoliberalism, however, by its very logic of rewarding winners and punishing losers produces serious democratic deficits that directly result in social polarization and have serious repercussions for democratic equality (Fainstein, 2001; Purcell, 2009; Sassen, 2001). Purcell (2009) and others argue that the operations of neoliberalism produce material inequality, give increasing control to capital over social life, disempower the people, outsource governance and all this ends up seeing citizens as customers. These anomalies of neoliberalism reduce choices for citizens in governance matters by placing premium on competition as the only good thing possible (Frug, 2017; Preston, 2016; Picketty, 2014; Harvey;2007). The neoliberal operation thus carried out does not produce just outcomes so the model of strategic rationality of liberal democratic governance of neoliberalism must manage this legitimacy crises to sustain its hegemony. It manages this discontent around distributive fairness by making the decision-making processes look more inclusive.

## **Do participatory processes make planning democratic?**

Communicative planning and deliberative democracy of Habermas (1991), according to Mouffe (1991, 2000) and Purcell (2009) offers mechanisms to neoliberal hegemonic discourse to offer inclusive outcomes than the strategic rationality of electoral democracy. Habermas (2001) advocates decision making regime which espouses involvement of stakeholders in decision making process through intersubjective rational dialogue between the stakeholders. Such a dialogue is aimed at common good and is facilitated by the planners in such a way that the inherent power differences between the parties are neutralized by the planners' active involvement and all the interested parties freely articulate their position. This proposition presupposes each party empathizing with the

viewpoint of other parties in an “ideal speech situation” (Habermas, 2001, p.102). Such a role for planners has also been advocated by Amirahmadi & Gladstone (1996) but the capacity of such a role in upstaging the superstructure of neoliberal paradigm is debatable yet it can produce localized outcomes that may be favourable for certain place-based communities (Campbell, Tait, & Watkins, 2014). The theoretical underpinnings of Habermasian communicative model echo the outlines of theory of production of space by Lefebvre (1991) and Arnstein's (2019) ladder of citizen participation. Lefebvre (1991) in his theory of spatial production argues that each production of space uses certain codes or institutional knowledge to justify that spatial production. He, after mentioning planners' tendency of reliance solely on these codes, warns against sole reliance on these codes for spatial production. According to him, plans that are divorced from the lived experiences of citizens are a recipe for catastrophe. Similarly, Arnstein (1969) argues for citizen participation as citizen's power but warns against “tokenism” that may pass as “participation”. She vehemently argues for participation to be an exercise through which the have-nots can have a say in tipping the balance of power in their favour.

The critique of idealistic communicative planning comes from Purcell (2009) who, drawing from the works of Mouffe (1991;2000;2005), Foucault (1988) and McGuirk, (2001) critiques the Habermasian recipe of communicative planning on several counts. The crux of his critique argues that though this may not have been the intended outcome of Habermas (1991, 2001) yet his theory serves to reinforce the existing power relations and helps the neoliberal ideal of maintaining hegemony while appearing to be more democratic (Purcell, 2009). The critique expounds the impossibility of Habermasian prescription of ideal speech situation and neutralization of power in intersubjective communication. Drawing on Foucault's (2003) description of relational nature of power, he argues that power is an inalienable quality which has various shades in different sub-groups whose importance vary from culture to culture and thus cannot be neutralized. An interesting critique of the Habermasian model comes from Hillier (2003) who argue that neutralization of power through facilitation is akin to imposition of another relation of power. Similarly, Laclau & Mouffe (1985) hold that ideal speech situation requires taming of power relations that tantamount to removing politics from the debate, that, they hold, cannot be done at all. Thus, the given model cannot account for the social movements that get together for legitimate political purposes. Hence, the result is a dissatisfaction with the theory in changing the operational dynamics of political economy of the neoliberal society.

An alternative narrative, rooted in the possibility of upstaging current neoliberal hegemony, promises changing existing relations of power by advocating for counter hegemonic strategies on the part of marginalized and disadvantaged groups. Laclau & Mouffe (1985,2000) advocate for mobilizing radical movements by the disparate groups of disadvantaged communities, which may have distinct relations to the existing hegemonies, but they get together to form, what they call “chains of equivalence” to pursue an agenda of equivalence against the existing hegemonies aimed at ultimately upstaging the existing hegemonies and replacing it with the new ones. Leclau and Mouffe (1985,2000) dismiss old style social movements and while drawing a distinction between ‘equivalent’ and ‘identical’ argue that these groups are equivalent because they are equivalently disadvantaged by

the current hegemony of neoliberal discourse and practice. They cite the examples of so-called anti-globalization movements that carried out series of protest in Seattle, Doha, Geneva and other world cities. In planning theory Sandercock (1998), striking the similar chords as proposed by Leclau & Mouffe (1985,2000) on global front, impresses upon the need for transformation of existing power relations through ‘counter-hegemonic planning practice’ that can destabilize the current hegemony and replace it with new one against ‘systematic disadvantages’ of the neoliberal planning (p.169). These propositions also find a favourable chord in Lefebvre’s (1996) idea of the right to the city and possibility of another city.

## **Does planning have a chance against the neoliberal hegemony?**

Revolutionary as it may seem, the idea of counter hegemonic movements by Leclau & Mouffe may not offer a holistic solution for disturbing the existing relations of power. This section deals with the critique of the Leclau & Mouffe’s (1985, 2000) idea of counter-hegemonic movements. The critique is rooted in the Bierstedt, (1950) ideas around the sources of social power. While situating the significance of the power structures in the society in social and sociological spheres, Bierstedt (1950) holds that power, whether economic, financial, industrial, military, or political, is in effect, social power. It is, according to him, a universal phenomenon and societies or any social interaction is not free from it. He sees power as a latent force which stems from i) numerical strength of people, ii) social organization, iii) quantity of resources. In the following section, the manuscript will examine the possibility of Leclau & Mouffe’s (1985, 2000) counter-hegemonic radical movements in upstaging the existing balance of power relations in the light of Bierstedt’s (1950) theory of social power. The evaluation starts with evaluation of the social organization aspect of the neoliberalism and the possibility to upstage it through counter hegemonic movements proposed by Leclau & Mouffe (1985,2000). The evaluation then leads to power stemming from possession of economic resources and discusses the numerical strength of people, as a source of power, in the end.

In terms of the social and political organization of the neoliberal ideology, Harvey (2007) argues that there has been conscious and consistent effort on the part of the capitalist class to install neoliberalism as a dominant ideology in the collective psyche of the people. He holds that this neoliberal mindset has now considerable influence in universities, think tanks, corporate board rooms, and in the global institutions like World Trade Organization (WTO), International Monetary Fund (IMF) and other international organizations. Harvey (2007) argues that rules of engagement for countries joining these world bodies entail adhering to ideals of neoliberal political economy and non-adherence to the ideals of neoliberal governance frameworks portend penalties for the member countries. Harvey (2007) explicitly mentions export of neoliberalism as a policy agenda backed up by the state apparatus of US, starting from the coup in Chile in 1973 and subsequent installing free market logics. He argues that the exportation of the neoliberal ideology continues to this day. Similarly, Purcell (2009) mentions policies of *aidez-faire* instead of *Laissez-faire* that help financial institutions of neoliberal market remain viable at the cost of wider public. *Aidez-faire* are the policy practices in which instead of leaving the market free to fend for itself, the states and the international organizations bear shocks

arising out of the malfunctioning of free market. Similarly, the geographic outreach of the neoliberal project can be fathomed from the fact that only a handful of countries are immune from it (North Korea) and even the reluctant countries such as China have also started to open to neoliberalism. Political and social organization of the neoliberalism may also be manifest in networking and connectivity of global cities (Sassen, 2001), which serve as the nerve centre of global capital with remarkable intercity connectivity and organization through digital highways. What chances do the disparate disadvantaged groups stand in the face of such narrative that repeatedly instils an argument in the collective psyche that 'there is no alternative' to the neoliberalism (Preston, 2016). Granted that the 'occupy movements and the phenomenon like Arab Spring (Juris, Ronayne, Shokoooh-Valle, & Wengronowitz, 2012) are increasing in frequency, but it would take much longer, for such, movements to gain a critical mass to realize the Laclau & Mouffe's (1985,2000) ideal of disturbing power relations. Bierstedt, (1950) argues that social groups who are well-organised hold greater power than the unorganized masses who may be larger in number but are unorganized.

Bierstedt (1950) holds that the second source of power emanates from the degree of possession of resources including material and other resources. The locus of resources of knowledge, culture, intellect, and technology has already been alluded to in the preceding paragraph. Now if we focus on the material resources, the situation is no different. On this count, one may argue that the material resources are concentrated within few hands, but those hands are the ones who benefit from neoliberalism and, therefore, would like to oppose any movements that decreases their material wealth (Piketty, 2014). Piketty (2014) beside holding that capital accumulation practices of neoliberalism have led to accumulation of wealth in fewer hands also asserts that, of late, rate of return on capital has surpassed growth rate in many developed countries which has significant repercussions for the distribution of material inequality. This lends credence to Harvey's (2007) assertion that neoliberalism is a class project and after the inception of neoliberal economic practices in US, in mid 1980s onwards, the share of the top 1 percent income earners increased to 15% by the end of the century. It is remarkable to note that, earlier in the post-war days of Keynesian policies, this share had dropped to around 8% from pre-war liberal days, in which it stood at 16% (Harvey, 2007). It has earlier been argued that it was this threat to the increasing material insignificance of the ruling class that Keynesian state apparatus did not go down well with the ruling elite. Another aspect of this distribution of material resources signals a greater divide between global North and global South. Sassen (2005) holds that global cities in the global North concentrate wealth well over half of the global capital market. She reports that in 2002 cities in global North accounted for traded derivatives of US \$192 trillion against the rest of global trade which stood at US \$ 8 trillion (Sassen, 2005, p.33). Similar is the situation of stock market capitalization by the global cities. This measure of the locus and source of power, too, does not augur well for the prospect of counter-hegemonic radical democratic movements as proposed by Laclau & Mouffe (1985, 2000).

The third source of the social, hence political, and economic, power lies with the number of people in a social group, according to Bierstedt (1950). This poses an interesting aspect of the narrative in critiquing the prospects of counter-hegemonic movements. Obviously, as earlier stated, the have-nots

are in majority and there are frequent mentions of only 1% holding power over a majority of 99% (Juris et al., 2012). How come this aberration come to such a pass that a majority is subjected to the rule of a minority. Bierstedt (1950) identifies this anomaly with residual power of inertia and lack organization in the majorities. He holds that a group of organized policemen, though lesser in number can control a much larger number of unorganized majorities. Bierstedt (1950), however, cautions against the limits to which majorities can be subjected to the general control of the minorities. Majorities are powerless only until they overcome the residual power of inertia. He promisingly comments that organized majorities are the most potent force on the earth. Organizing the unorganized majorities for counter-hegemonic movements for forming chains of equivalence, as proposed by Leclau & Mouffe (1985,2000), suffers from same critique that Mouffe (1991) and Purcell (2009) hold for Habermasian ideal of communicative and deliberative democracy. Arnstein (1969) holds that, neither the have-nots nor the powerholders are homogeneous blocs. Each group, however, encompasses a host of divergent points of view, significant cleavages, competing vested interests, and splintered subgroups and negotiating creation of common ground requires a lot of suturing of differences. The justification for using such simplistic abstractions of counter-hegemonic movements is that, in most cases the have-nots really do perceive the powerful as a monolithic “system,” and powerholders actually do view the have nots as a sea of “those people,” with little comprehension of the class and caste differences among them. Arnstein’s (1969) view is also corroborated by Piketty’s (2010) views on economic inequality, who is wary of economic determinism of material inequality and suggests that ‘inequality cannot be reduced to any automatic, technological, or purely economic mechanisms (p.23).

Where does this leave the prospects for a radical change in the global political economy, generally, and in the planning profession, specifically. Preston (2016) drawing from the work of many authors reports that, at present, the neoliberal regime seems to be in full command, however, beneath the shiny and glossy surface tensions and cracks abound. These cracks manifest themselves in the form of unemployment, material inequality, massive levels of public debt and over-valued assets, and to cap it all decaying levels of public confidence, trust, and participation in key institutions of the formal political system. However, Fainstein, (2001), and Piketty (2014) instead of doing away with the system, which seems hard to be dislodged in the first place, emphasize remediation of the existing neoliberalism. Fainstein (2001) emphasizes the need for state intervention to ensure pluralistic and participatory production. Fainstein (2001) is all for state to take care of its citizens by mitigation of competitiveness. He sees state an enabling, instead of, entrepreneurial state. As to the planning profession, it seems as if it will have to learn to live with neoliberalism and carve out a niche for itself on a case-to-case basis. Campbell et al., (2014) and others are hopeful of possible role of planning in shaping best outcomes for the community. Stewart & Lithgow, (2015) present an idea of place-based communities in planning profession and show from a case study in Australian Capital Territory that how planning outcomes change from context to context based on the citizens’ commitment to a given cause. Similarly, Metzger, Soneryd, & Tamm Hallström, (2017) show in the context of Sweden, how planners can take power in collaboration with the community. Planning does not have a silver bullet recipe for all situations that face it, however, it must be consistently in negotiation with the powers



that be to elicit best outcomes for the community it serves, by ensuring equity with an eye on just outcomes.

## **Conclusion**

In conclusion, it can be argued that it was the lack of understanding of the power relations by the Marx and his over-reliance on the economic reductionism of power that sealed the dominance of neoliberalism as a class and ideological project which now has a vast geographic outreach. Similarly, the power sharing ideals of Habermas' communicative planning and the counter-hegemonic propositions of Leclau & Mouffe suffer from vulnerabilities which are situated in the sociological understanding of the existing power relations. In the neoliberal political economy and planning paradigm, chances for a radical upstaging of existing power relations seem remote as these propositions face a well-entrenched adversary who has a monopoly over resources of power at the given moment. Status quo of power relations is a formidable foe of any radical proposition that seeks to upstage any existing power relation. Of late, there has been a convergence of views around policy interventions by the state to protect its citizens to ensure equity and distributive fairness. In these circumstances, planning will have to continuously calibrate its actions to ensure best outcomes on case-to-case basis.

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