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A Brief Tale of Two Neoliberal Governances

*The Evolving Redevelopment Rhetoric of
Buenos Aires and Chicago*

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The neoliberal project applied to cities, suburbs and towns deepens across the globe as inequalities and discord grow. Cities are seemingly the epicenter: Cleveland, Chicago, Buenos Aires, London, and countless other urban locales visibly reflect a stepped-up neoliberalism. As the drive to entrepreneurialize government actions intensifies—to create more responsible and business-oriented citizens, build strong local business climates, and fashion globally competitive, consumption-oriented downtowns—millions of people are hurt (Hackworth, 2007; Peck, Leitner, and Sheppard, 2007). But are the prevailing power blocs (“neoliberal redevelopment governances”)* in these cities identical?

This essay supports the notion that neoliberal governances are varied and place-specific, i.e., they are significantly different entities and locally constituted conglomerations of interests. On the ground of the local these formations are humanly crafted and able to be legitimized and reproduced in their routine operations. To be clear, these formations do not arise in isolation; they are profoundly influenced by societal structural forces. But it is in the local that such forces are fundamentally mediated, made sense of, assigned distinctive meanings, and acted on that ultimately breaks down the traditional, simple distinction between “the local” and “trans-local.” Chicago and Buenos Aires are two illustrative examples of urban centers experiencing incredible social dilemmas as a result of neoliberal redevelopment governance actions.

Chicago today is characterized by growing disparities between prosperity and poverty, which is manifested in swaths of gentrified housing (e.g. Lincoln Park, Wicker Park, Bucktown) and upscale downtown zones situated within a broader urban environment of disinvested and struggling communities (e.g. South and West Sides). In particular, gentrification of the Loop and nearby areas resulted from decisive policy objectives that implemented 157

* I use the term neoliberal redevelopment governance to identify the physical and social transformation of urban space in two case-study cities. I identify redevelopment as a central subset of neoliberal governance; it is its central manifestation in the land and property restructuring realm, which carries the “neoliberal project” to this particular domain. I define neoliberal redevelopment governance as the assemblage of institutions (builders, developers, financial institutions, and the local state) that unify around a common vision of city redevelopment and push to make it a reality. Such institutions work collectively to create planning agendas, bolster such plans through the usage of discursive formations, and implement redevelopment projects through tools and policies.

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Sternberg's research focuses on urban geography, social theory, and local urban politics in both U.S and Latin American settings. Her current research examines new political strategies emerging in order to preserve the legitimacy of existing neoliberal entrepreneurial agendas, the extent of neoliberal contingency across global cities, and critical debates around the future of neoliberal redevelopment governances in cities. Her work engages with urban restructuring debates and brings critical perspectives into conversation with the dominant narratives around neoliberal redevelopment governance across different socio-spatial contexts.

Her recent publications examine the fluid and evolving nature of neoliberal redevelopment governance, the relationships between neoliberal governance, informal economy and conditions of employment in Argentina, and the role of democratic engagement and public institutions in navigating the shift from welfare to entrepreneurial policies within metropolitan governances around the world.

Cities and Inequalities in a Transnational World

Joint Area Centers Symposium, 2012

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tax-increment financing districts (TIFs) (in Curran et. al, 2007). In 1999 Chicago's redevelopment governance forces used their Plan for Transformation to aggressively scale down public housing and resell the land to private developers. This public housing land, situated on Chicago's south and west sides, for decades was characterized by Chicago's governance as "problematic and infested spaces" and peripheralized for redevelopment. However, with encroaching gentrification and large blocks of devalued land creating a "rent-gap" that could make redevelopment profitable, these areas (e.g. Bronzeville and Pilsen) suddenly appeared on the neoliberal governance radar.

Similarly, Buenos Aires is experiencing major increases in poverty, deprivation and an increasingly class-segregated city. In housing, reduction of the public housing budget by 50 percent was inversely proportional to the rate of construction of housing for middle- and upper-income sectors (Furlong and Torres, 2000). The reduced public housing budget helps explain why in 2010 an unprecedented 20 percent of the population (600,000 inhabitants) registered deficient housing conditions in the city. Of these, 100,000 persons live in abandoned buildings (Census, 2010), while at the same time, dramatically upscaled and gentrified neighborhoods now flourish, particularly in the southern areas (La Boca and San Telmo). A series of governance programs and policies, meant to cultivate a culturally and socially integrated city, have actively disciplined the physical environment in the southern areas of Buenos Aires for more affluent consumers.

Yet, such governances also need to be seen as evolving and fluid as they adapt in response to shifting economic, political, and social circumstances (Brenner et al., 2010; Keil, 2002; Leitner, Peck and Sheppard, 2007; McLeod, 2002; Mitchel, 2001; 2004; Peck and Tickell, 2007; Wilson, 2004, 2007). Thus, redevelopment governances in Chicago and Buenos Aires locally negotiate cultural norms, identity configurations (i.e., race, ethnicity, religion) existing spatial structures (i.e., public housing), and varying degrees of resistance and political mobilization that altogether shape the different trajectories and outcomes of redevelopment projects. In this context, common understandings and systems of meanings become essential political tools that governances use to build normalcy, acceptability and legitimacy for redevelopment projects to be successful. Two different rhetorical strategies are presented below for Chicago-Pilsen and Buenos Aires-San Telmo in order to illustrate the way neoliberal redevelopment governances differently negotiate their redevelopment dilemmas.

In Chicago-Pilsen, governance entities use shifting rhetorical strategies in response to changing realities and contestation: new city economic circumstances, increased impoverishment and hunger, growing unemployment, and increased protest to stall redevelopment projects. Disciplining ethnic neighborhoods through punitive/revanchist rhetoric to advance development at a critical moment was deemed an increasingly problematic tactic and something that needed to be refined. In the process, governance revealed its adroitness by enacting a subtly more humane rhetoric about people and communities. In previous presentations (from 1990 to 2005), the notion of social pathologies was frequently invoked to characterize the Latino community of Pilsen.

"Pilsen has become, quite simply, a crime-ridden slum ... a Mexican ghetto. It is now less a place for decent people and decent families. The streets have become dangerous, the kids outside [on the streets] are destructive ... it is a neighborhood that needs to be changed. Hell, I wouldn't let my kids or any decent person I know walk these streets" (in Wilson et al., 2004).

However, post 2005, renderings of Pilsen Latinos increasingly and subtly invoked a more humane resident and community, as seen in the following quote from the Chicago Tribune:

“We have a good mix of working-class and professional people who are fixing up the older buildings, getting involved in the community and putting down roots” (Chicago Tribune, February 18, 2006).

Buenos Aires-San Telmo’s neoliberal governance also adjusted its rhetoric in response to changing social, economic, and political realities. Before 2003, governance negotiated tolerant policies towards the population *ocupas* (a Spanish slang word that refers to squatters) living in the abandoned buildings. “[The squatters] are a product of the economic recession and the 2001 crisis... they are part of marginalized populations that need to be assisted” (Interview with representative of Department of Housing Policy, May 2002, in Herzer 2008).

After 2003, these policies were at odds with the city’s investment and economic growth. Thus, governance rhetoric turned more punitive and harsh; the lack of housing stock was “menacing”, locals and their blocks were increasingly presented as obstructions to normal city functioning and impediments to the public good. Even as city-wide cultural unity and city heterogeneity was being espoused, governance articulations now characterized these people and neighborhoods as civic outliers who simply were not functioning as integral to “the desired city.” Between 2003 and 2006 there were increasingly explicit suggestions to eradicate abandoned buildings and negative cultural associations connected with these spaces. Additionally, between 2007 and 2008 the number of evictions and displacements in the city rapidly escalated, resulting in increasing levels of social marginality and deprivation.

“[the squatters] keep constituting an urban ill, not only because they incarnate a crime but also because it is sometimes used to shelter the undesirable ones. (...) an occupied building is always a plague in the urban landscape ...” (Interview with local developer in *La Nación*, March 29, 2004).

Neoliberal redevelopment governance in general is an outgrowth of new economic times and circumstances. Yet, as the shifting rhetoric illustrates, these governance entities are fluid and evolving formations that are continuously being constructed and reconstructed using rhetorical strategies of inevitability and permanence. Understanding this complexity is critical to policymakers and analysts in efforts to make way for more socially just and sensitive redevelopment. More justice-oriented redevelopment can be aggressively pursued in cities based on the knowledge that redevelopment is fundamentally locally constituted, locally driven and humanly crafted. Meaningful social change and the transformation of redevelopment governances often begin with something “supposedly” minor: modifying the rhetoric used to characterize human identities and communities.

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Selected Publications by Symposium Speakers

Asef Bayat *Life as Politics: How Ordinary People Change the Middle East* (Stanford University Press, 2010)

Teresa Caldeira *City of Walls: Crime, Segregation, and Citizenship in São Paulo* (University of California Press, 2000)

Neema Kudva “Creating Space for Participation, the Role of Organizational Practice in Structuring Youth Participation” (*Journal of the Community Development Society*, 2009)

Faranak Miraftab “Emerging Transnational Spaces: Meat, Sweat and Global (re)Production in the Heartland.” (*International Journal of Urban and Regional Research*, 2011)

Virág Molnár “Reconfiguring Private and Public: State, Capital, and New Housing Developments in Berlin and Budapest” (*Urban Studies*, 2010)

Martin Murray *Taming the Disorderly City* (Cornell University Press, 2008)

Erik Swyngedouw *In the Nature of Cities* (co-edited, Routledge, 2006)
Urbanising Globalisation (co-edited, OUP, 2003)

David Wilson *Cities and Race: the New American Black Ghetto* (Routledge, 2007)

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