Political Parties and Local Politics

DRAFT PAPER
To be presented at the CPSA 2004 Conference
June 3-5, 2004, Winnipeg

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Abstract

This paper is a call to bring political parties to the centre of contemporary analyses of local politics and argues that the recent literature on the rise of regions and localities do not pay enough attention to the role that political parties (can) play in facilitation of local/regional development. This is due to the influence of the Third Way ideology on such studies.The paper further claims that rise of localities and regions reflect reterritorialization of the neoliberal state and that political parties have taken an active part in formulation and implementation of this process both at the national and local level.

I - Introduction

"… the politics, institutional dynamics, and socio-spatial effects of neoliberalism have rarely been theorised explicitly at the *urban* scale in the older industrialized world. More generally, even though discussions of the rise, consolidation, and diffusion of neoliberalism generally contain any number of implicit geographical assumptions, the complex spatialities of these developments have yet to be examined and theorized systematically, whether with reference to cities, regions, national territories, or supranational spaces" (Brenner and Theodore, 2002: 343)

"as an *ongoing ideological project* neoliberalism is clearly more than the sum of its (local institutional) parts" (Peck and Tickell, 2002: 401)

As the quotes suggest, there is a need to theorize the implications of neoliberalism at the local/urban scale and this is particularly true for the institutional and political framework of this *ongoing ideological project*. The tendency of contemporary popular research is to restrict this process into apolitical categories and research questions, labelling localities and regions as the new bases for a fundamental socio-economic transformation. This paper argues that role of political parties in formation and implementation of local policy agendas, and the way in which they facilitate reterritorialization of the neoliberal nation state remain rather unexplored.

To unfold those arguments, first of all, an analytical exposition of the various approaches in urban political economy will be provided. It is argued that, we need an alternative perspective aiming at relating the theories such as Urban Regime Theory(ies) to explanations about broader national political-economic processes. The role of local branches of national political parties will be analysed in this context. The paper claims that the way in which a national political party responds to the local issues also gives us clues about the political-economic project it pursues and the social classes/groups they address. In this respect, the rise of neo-liberalism and the emphasis of the Third Way approaches to local politics and to the question of local economic development becomes worthy of attention.

II - A methodological opening

The research question that we have posed requires that we clarify two methodological points:

a) The relationship between the studies which solely focus on macro questions, especially those pertaining to national political economy, and those which problematizes local/urban political-economy as an independent field of study. How can we establish the detect the practical, as well as conceptual, links between the spheres of "national political-economy" and "local political-economy"? Is it really safe to assume that these two levels of analysis are theoretical counterparts of two ontologically separate (yet interacting) entities? What kind of insights can a relational perspective bring for us (cf. MacLeod and Goodwin, 1999: 503)?

b) Relying on our answer to the above questions, we also need to reflect on how we can conceptualise "local political-economy". Here, we refer to "urban political-economy"

in particular. Our answer should provide us with a tentative picture of the institutional boundaries, main policy issues, as well as the actors involved in local/urban political-economy, especially with reference to the post-1980 era.

My main argument is that the relationship between local/urban political-economy and national political-economy (as well as other levels of political-economy) is undertheorised in the available literature on local/urban political-economy. This theoretical weakness, I further claim, can create serious distortions in the problem formulations and the proposals of policy analyses which want to shed lights on the changing dynamics of local/urban economic development.

I suggest that we can understand local/urban political-economy and national political economy as different instances of the same social process: (re)production and containment of the relations between different social classes, which finds its concrete expression in the state. In other words, we can see them, rather, as mutually constituting scales of political-economy, whose relationship is determined by the form of the state under concern. Here, we will follow the analytical distinction that Bob Jessop (1990) introduced between 'form(s) of representation', 'form(s) of intervention', and 'form(s) of internal organisation' as three facets of the 'state as form'. This paper looks at the changing relationship between those three aspects of the state form during the last two decades, with a special emphasis on 'form(s) of representation'.

III - Problem formulation

The rise of neoliberal ideology and increased involvement of the business community in decision-making processes, especially in (local) policy issues, has been captured by the

term, ‘governance’. What this notion, as opposed to the idea of ‘government’, refers to can be summarized as follows (cf. Jones and Ward, 2002: 19):

a) *Forms of internal organisation*: A market like approach to public service provision and privatization of services traditionally provided by the public. End of the Weberian bureaucracy, and shaken legitimacy of the public sector as an efficient and effective site of service provision. Decentralization of policy making and service provision.

b) *Forms of intervention*: Decentralization of the nation state; downloading of the sources and authority, as well as the political responsibility to the local level needed to formulate and undertake economic development strategies; automatically increasing the significance of rents/surplus value produced/captured/re-distributed at the level of local politics.

c) *Forms of representation*: Prominence of regions and cities as the sites of strategic decision-making. A more flexible and informal approach in coordination of policies, and increased opennes of decision-making structures to certain (local) actors, especially characterised by increased visibility and involvement of the local business community.

Here, of particular interest to us is the changing forms of representation that the governance model stand for in general. This change reflects a redrawing of the boundary between civil society and the state, associated with rescaling of the state (Jessop, 1997, also see Brenner, 1999). Especially in this context, the authors symphatetic with Third Way approach places an important emphasis on localities and regions.

This redrawing of the boundaries between the state and civil society, in other words, the passage from 'government' to 'governance' should not be seen as an automatic and/or structural outcome of "allegedly uncontrollable *supra*local transformations, such as globalization, the financialization of capital, the erosion of the national state, and the intensification of interspatial competition" (Brenner and Theodore, 2002: 341, emphasis original).

The experience of 1980s indicate that, if there was a significant change, it was the product of a consciously formulated and firmly implemented political strategy, that of New Right. Through iron-handed policy interventions, the New Right attacked the Keynesian welfare state, simultaneously installing the spatial infrastructure of a new form of political-economy: neo-liberalism. New Right policies constitute the second step in the schema introduced by Peck and Tickell (2002) where they define three steps in the evolution of neo-liberal project: 1) its emergence as a critical ideological discourse 2) its transformation into a reactionary project, the era of Thatcherite 'roll-back neoliberalism' 3) deepening of its effects, taking the form of 'high politics' and its re-construction as a response to the failures of the roll-back era, that of 'roll-out neoliberalism'. They argue that

> "in [the] North Athlantic zone at least, there seems to have been a shift from the pattern of deregulation and dismantlement so dominant during the 1980s, which might be characterised as 'roll-back neoliberalism', to an emergent phase of active state building and regulatory reform - an ascendant moment of 'roll-out neoliberalism'. In the course of this shift, the agenda has gradually moved from one preoccupied with the active *destruction and discreditation* of Keynesian-welfarist and social-collectivist institutions (broadly defined) to one focused on the purposeful *construction and consolidation* of neoliberalized state forms, modes of governance and regulatory relations." (2002: 384, emphasis original)

Here, we should underline an important observation made above: The attempt to come up with a compromise, a 'Third Way' between the state and the market, as two modes of regulation of socio-economic life (cf. Leibowitz, 2003: 2614-2615) also requires *purposeful (re)construction & consolidation of neoliberalized state forms* a project, even more difficult than rolling-back. In that respect, centrality of localism/regionalism to the ideology of 'Third Way' suggest that, rather than expressing 'hollowing out of the state', rise of regions and localities can be seen as part of a political strategy of strengthening or building the neo-liberal state. Then, we can take this argument one step further by arguing that such a project may aim at/serve a) to strengthen the representational capacity of certain local actors before the state, b) to (re)build (new) channels of representation for such actors, instead of creating isolated, locally autonomous islands of territory. Besides, then, it can also be claimed that the very same local actors may well be actively involved in formulation, promotion and active implementation of 'Third Way' as a nationally formulated/implemented *purposeful intervention.*

If we accept these propositions, then we will be forced to conclude that the boundaries between local political-economy and national political-economy could be more blurred than the current theories would be ready to accept. Scholars like Brenner suggest that *reterritorialization of the state* constitutes one of the two main sources shaping the urban governance in Europe, the other one being urban restructuring process (1999: 431). Despite his structuralist stance, Brenner's observation is of great value to us, because he establishes a causal relation between the rise of cities and regions and the current institutional restructuring of the state. Yet, his account misses the role of political

agency in all this restructuring process while also sustaining a theoretical externality between reterritorialization of the state and urban restructuring processes, which, in this paper, are claimed to be two facets of the same phenomenon.

Obviously, such a radical transformation project (of the nation state) can not be realized without political determination, ideological backing and organized action. In this context, role of the political parties becomes significant. I think political parties's role is double-sided in this regard. First of all, they have obviously been initiators and implementers of those restructuring processes. Secondly, their traditional role as institutional binders of local politics and the national politics could facilitate the *reterritorialization process of the state.* Given our initial conclusion on the nature of the boundary between *local* and *national*, I now also suggest that political parties can actually play an important role in redrawing the boundaries between local politics and national politics. They can do this by transmitting and incorporating various local political-economic concerns to the national policy agenda pursued by the party. In this way, local interests and demands percolating through the national politics, can actively shape the reterritolization of the state.

To unfold this claim, we have to undertake two important tasks: 1) we still need to discuss what we understand from local politics, and in particular, to touch upon how urban politics in particular is theorized by different approaches. This will give us an idea about the role and concerns of the business community in urban (and regional) politics; 2) Then, we need to return to the question of *political parties* to shed some light on their motives, the way they incorporate different local demands into the national policy-making process. This will facilitate establishing the links between local political-

economy and national political economy, as part of *reterritorialization of the state.* These are the topics that we will discuss in the following two sections.

IV - A critical analysis of the theories of urban political-economy

A student of urban studies would definitely admit that it is no minor task to provide a thorough critical examination of all studies attempting to explain urban political-economy, especially within the volume constraints of a paper. My intention in this section is simply to portray a broader picture of the available approaches so that we can start to discuss the role and relevance of political parties to urban political economy. As I mentioned under the section 'a methodological opening', such an undertaking has to address two main issues: a) the question of the *autonomy of local* from national; b) economic boundaries and bases of local/urban politics.

Pluralism

First of all, we should be aware that the contexts in which those different theories have emerged has been influential in formulation of their research questions as well as the empirical focus of the studies informed by such theories. This is especially the case with the theories built by American scholars, especially beginning from 1960s. Pluralist theory, I think, is the most signficant and well known example of such theories. Todd Gitlin, drawing upon the works of American political scientist like Banfield, Dahl, and Polsby, summarizes the major premises of '(local) pluralism' (as a theoretical, ideological and methodological stance) as follows: "

1) There are no power elites; power is widely distributed in communities;

2) Power is always directly applied and observable;
3) Community power should be investigated with case studies of "important decisions";
4) Only decisions made by formal political bodies or persons should be studied; and
5) The power system is "slack", allowing for social change within it" (1965: 23)

Especially, the emphasis on 'even distribution of power' rely on the assumption that decision-making process is not directly determined by those who seem to hold, especially economic and political power, thus opening up some room for the participation and influence of the groups which are relatively worse off. In his book on the city of New Haven, W*ho Governs?* Dahl pose oligarchy and pluralism as two poles (in fact models) of explanation in understanding political participation (cf. 1961: 7; also see Banfield, 1961: chapter 12), and then he attempts to illustrate that it is the latter model which dominates the political scene. Pluralist analyses, by rejecting the existence of a direct linkage between economic power and political power/mobilization, suggest that it is not necessarily the economically powerful groups who govern. Besides, it is also argued that politics and economy are two independent types of activity which rival each other in terms of the time to be dedicated to (Dahl, 1961).

These assumptions make it difficult to come up with an explanation of how urban politics shape or is shaped by competing economic interests. At most, a likely explanation would tend to produce a conjunctural account, instead of a generalizable observation. What is more the emphasis on formal, important and observable decisions, as in the case of Banfield (1961)'s study as well as Dahl's, ignore the other dimensions of power that could be exerted by the economically dominant groups (Ham and Hill, 1984)

As for the relationship between local politics and national politics, it is remarkable that pluralist theory restricts its attention to cities and takes the notion of

community as the basic unit of analysis. In fact, this is also the case with the studies that pluralist authors are critical of, namely studies emphasizing the oligarchic character of urban politics. For example, in his study on *Regional City,* Floyd Hunter maintains that he employs "the concept of community as a frame of reference for an analysis power relations ... because of a strong conviction that the community is a primary power center and because it is a place in which power relations can be most easily observed" (Hunter, 1963: 2). This sole emphasis on cities, to my opinion, has its roots in the empiricist orientation of such studies. Yet, the story does not stop here. It is probably the decentralized and disorganized structure of American politics which lead such authors to solely focus on cities, while leaving the national state and non-local actors out of question. Such a theoretical position is also supported by the geopolitical imagination of America as a horisontal sum of localities, with a weak political overseer, rather than being a country tightly regimented into a well woven geographic tapestry by a supreme power (cf. Agnew, 1997). In that regard, it is interesting to observe that studies in pluralism have posed their questions in the context of the cities and used their findings as a proof of the strength of national American values.

Marxism

Unlike the pluralist studies rooted in American politics, the Marxist attempt to come to terms with the urban phenomenon, and urban crisis, has a stronger association with the European experience of late 1960s and 1970s. The impact of capitalist accumulation processes and the struggle between working classes and capital have defined the main themes of these studies. Urban political-economy has constituted the site and product of such processes. Classes have been seen as the main actors with objective and explicit

economic interests pursued via political means. Here, the meaning of politics has been strectched from work place to every aspect of daily life which is experienced in the city.

This description of Marxist analyses is especially true for Manuel Castells's works. Castells, writing in the context of local activism and social movements of 1970s, stress that "the only method known for changing consciousness through the defence of objective interests is the discovery of these interests *in and by struggle*" (1978: 172). In fact, main concern of Castells is to define a realistic axis of struggle for the working classes. Collective consumption, he argues, provides this ground. Cities as sites of collective consumption, thus, constitutes the context of class struggle. In his analysis, Castells makes an important observation, that "[s]ometimes it is through city politics that substantial changes are produced in the power relationships between classes. … [and] …[m]unicipal and regional politics, as institutional expression of urban policy, is becoming one of the major axes of the political confrontation of classes in advanced capitalism " (1978: 175, 179).

Here, it is important to re-iterate the above emphasis of Castells, that objective interests themselves are defined *in and by struggle.* In other words, urban politics can serve as the very ground on which objective (read economic) interests of classes are defined. This conclusion stands for a great breakthrough with the pluralist studies insistance on keeping economy and politics a two separate spheres of analysis. What is more, by relating the urban crisis to the crisis of the welfare state; and by relating local activism to the processes of (national) class strruggle, Castells establishes a two-way relationship between the urban phenomenon and national political-economy.

However, Castells does not tell us much about the role of the local bourgeoisie in urban politics, as the opponent of the urban working classes. Thus, he also does not address the question of what type of political arrangements could appear once the urban crisis is resolved in one way or another. This could be related to his pre-occupation with urban social movements challenging the, then, existing political setting. However, his reluctance to define a fixed institutional interface of this struggle could be another reason for this shortcoming. In that respect, another shortcoming of Castells' analysis, like pluralist analyses, stems from his desire to reserve some space for independence of urban phenomenon that cannot be reduced to broader processes of national political-economy. This results in formulation of a rather fluid and unorganized picture of urban politics, where collective action takes the form of social movements (also see Fainstein and Fainstein, 1974: 54). These movements's life period would be a rather shorter one with less room for its institutionalization. In his *the City and the Grassroots* Castells defines a spectrum of different possibilities on construction of the links between a social movement and political institutions. According to Castells,

> *An urban social movement*, as defined by effects on urban, political, and cultural change, appears when a movement articulates city, community and power, develops its own consciousness, and *operates through a political party, while keeping its autonomy* and continuing to relate to society through the support of professionals and the images transmitted by the media.(1983: 272, emphasis added)

Otherwise, he claims, the mobilization would become something else (Urban reform, urban shadow, urban utopia, and so on). Castells here extends the definition of politics beyond classical institutional context of political parties. Yet, his definition still does not address on what institutional ground could a likely compromise be reached at

the end. Hence, although he starts with an attempt to define *new forms of representation*, these could not be translated into *a new form of representation as part of a state project.*

David Harvey's (1985: 125-164) account of local politics and accumulation processes is an important cure to some of Castells' shortcomings. He tends to define localities as a marriage of labour pools and consumer markets in the context of capitalist accumulation processes. The local politics appears as the site of geopolitical defence of those structured coherences in the context of creative destruction of capitalism, which tends to destroy certain landscapes and to create new ones in search of profit. Through class alliances, the local actors tend to sustain/defend those spatial fixes (also see Duncan and Goodwin, 1988; cf. Cox, 1997) defined by certain social/physical infrastructures patterned by the technology of production.. The actors that become more active in alliance formation are those (be labour or capitalist) who have the highest stake to lose in case of desolution of this structured coherence. He defines those class alliances as *unstable*, and maintains that local politics becomes automous at times of confusion and instabilities of alliance formation (Harvey, 1985: 152). Harvey's insights fill in the gap in establishing the links between capitalist accumulation processes and the constraints they impose upon local/urban politics. Yet, he still does not address the questions such as; who those actors are; in what ways such coalitions are formed; and on what politico-institutional grounds they are sustained, a point that himself admits later (cf. Jones and Ward, 2002: 7). Such questions, I think, are better worked out in the case of Urban Regime theories which aim at coming up with a middle-level explanation of how such coalitions could be formed around certain economic interests. Now, this is the literature that we will focus on.

Urban Regime Theory

Jessop (1997) makes a distinction between the term governance used to denote the comprehensive political-economic changes associated with neoliberalism and *governance as the institutional/organizational framework of implementation of these broader projects*. According to his definition, governance is " '[m]icro-physics' of power, that is, the channels through which diverse state projects and accumulation strategies are pursued, and, indeed, modified during their implementation" (1997: 59). In that respect, Urban Regime Theory (U.R.), which problematizes the micro-physics of power in the context of management of urban economy can help us in our attempt to understand *how reterritorialization of the state has been fleshed out at the local level to facilitate the neoliberal transformation formulated across local, national and global scales of political economy*.

U.R. is basically concerned with the composition and focus of coherent policy-constellations established through cooperation between different local actors. These constellations are named as regimes. Different authors define different temporal and/or spatial categorizatations in that respect, like 'directive' (1950-1964), 'concessionary' (1965-1974), and 'conserving' (1975 -) regimes of Fainstein & Fainstein; or 'pluralist' (1950 – early 1960s, in Northeast and Midwest USA), 'federalist' (mid-1960s – late 1970s, in Northeast and Midwest USA), and 'entrepreneurial' (post-World War Two, SouthWest USA) of Elkin; or Stone's 'corporate', 'progressive', and 'caretaker' regimes (Lauria, 1997: 3 - 4). These typologies refer to rather stable periods of policy-making. There are visible tendencies in policy-making. The social groups favoured by these constellations distinguish these periods.

Lauria (1997) argues that U.R.'s analytical focus is exlusive. In general, external, non-local, factors or influences, are not taken into consideration in their analyses. The public-private cooperations that this literature refer to are rather retricted to urban-land-development issues (Feldman, 1997). Instead, it is possible to describe different types of cooperation constructed around different issues. Leo offers a valuable suggestion in that respect: "Perhaps, instead of regimes, it will prove more useful, in the first instance, to think of coalitions, overlapping to be sure, but each constituted to address a different set of policy concerns: one focusing on economic development, another on housing, a third on environmental problems, some entirely local in their composition, others more broadly based"(1997: 95). Here we should emphasize that these regimes are generally described as well-established and stable comprehensive arrangements between different actors. This restricts the breadth/flexibility of analysis. According to Cox "[a]rguably, one reason the urban regime literature has not problematized the variety of mechanisms of governance that actually exists is that *cooperation as an issue has been assumed rather than understood."* (Cox, 1997: 100, emphasis added; also see Stone, 2004)

Of course, there has been some openings to tackle with the above listed shortcomings. For example, Lauria's interpretation does not do justice to scholars like Stoker and Mossberger who acknowledges the need to place urban regimes "in the achitecture of governmental complexity (Stoker and Mossberger, 1994, pp. 198-199)" (Leibowitz, 2003: 2618). What is more, urban regimes can be placed into the context of institution building to be able to problematize urban politics as an active process of co-ordination and institution building. Yet, this institutional building process, as envisaged in this approach, is a depoliticized one (cf. 2003: 2619). In that respect, the emphasis on

coalition-building renders the conflictual aspect of urban politics redundant in U.R. analysis (for example see Stone, 2004). This is an issue that we are going to return later. At the moment, our next step will be to discuss the relevance of U.R. to the current rise of localities and regions as the new site of political-economic restructuring. If we can incorporate the insights of regime theory into our enterprise of understanding the rise of regions and cities, as Leibowitz (2003) suggests, then we can start to explain how different local actors have actively been involved in building the rolling-out phase of neoliberalism, as symbolized by the ideology of the Third Way.

Neoliberalism, the Third Way and Urban Regime Theory[*]

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The recent two decades have witnessed the booming of a brand of studies concerned with the question of local/regional governance, problematizing the way in which these new engines of global economic development function as well as the consequences of this recent development on the nation state. We can conveniently argue that rise of this literature coincides with the emergence of the political agenda of neoliberal rolling-out, namely the "Third Way", as formulated by Giddens (Sengul, 2001). This approach has been held in high regard by many politicians trying to strike *a balance between "social cohesion" and "market economy"*, to legitimise their business-sensitive strategies and their hands-off approach to social welfare.

This new model of economic development/management is based upon the "civil capacity of regions and localities to take care of themselves", ie their capacity to act independently from the state. According to such accounts, regions can provide *an*

alternative to hierarchy (ie the bureaucracy=the state) and market as forms of organisation/conduct of social relations, including ca pitalist relations of production and exchange. They provide a middle ground, the "third way" between competition and cooperation, or between the notions of individualism and collectivism (see Hirst, 1993 and Sengul, 2001). Notions such as "community", "network", "governance", and "association/or associational democracy" play the central part in those explanations. At its extreme, in certain accounts, regions (and cities) come to express the new axis of social differentiation. According to Hirst, for example, "[c]lasses used to be considered communities of fate; now for many people - including entrepreneurs, managers and skilled workers whose non-financial assets or labour are not easily relocated on national or international markets- *it is the region that is a community of fate*" (1993: 129 - 130, emphasis added).

The assumptions haunting such studies lead the authors to conclude that institutional context of politics, as well as its main focus, is radically transformed, leading to *dissolution of previously dominant channels of political representation, as well as the institutional site proper for this function.* As mentioned earlier, the notion of 'hollowing-out of the state' capture such perceived dynamics in general terms. In particular, it has serious implications for political parties traditionally organized to struggle at the national level.

First of all, one logical implication is that parliament and government as older institutional sites of social and economic policy-making will lose their significance. Then, political parties, as main formal institutional channels of interest representation

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[*] The first two paragraphs are extracts from an earlier paper I presented at a conference on territoriality, organized by the Ottawa University, in October 2003.

will also lose their utility for local interest groups, given the availability of representative organizations of various local interests to represent themselves at the local level, like chambers of industry and/or trade, trade unions, and other community centred organizations. In other words, one can tell that such organizations are (implicitly) expected to undertake the function previously fulfilled by traditional political parties: political representation of different local groups's interests on the new (legitimate) arena of local/regional politics. What is more, the emphasis on the co-operative nature of regions and localities as the cradle of civil society rule out the necessity to problematize/theorize political struggle over economic interests, as this is a problem already solved by theoretical assumptions of inevitable/natural co-operation. The main political responsibility of those new "local parties" would be to represent, to defend or negotiate the interests of their community as a united front, against the competitors or in collaboration with allies.

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The reasoning I have tried to depict above with its logical consequences suffer from some of the shortcomings of pluralism. According to MacLeod and Goodwin such studies

> "suffer from 1) a failure to integrate analytically into their inquiries a relational account of the state, and thereby to neglect the state's influence in actively shaping the urban and regional fabric; and 2) a similar failure to problematize the issue of scale, often taking for granted the spatial context of their own particular inquiry. Thus, terms like urban regimes, urban coalitions and learning regions are deployed as if they were ontological and epistemological givens" (MacLeod and Goodwin, 1999: 503)

I think MacLeod and Goodwin's last observation has significant parallels with our earlier conclusion that pluralism bears a tendency to prioritize *community* as the focus

and object of analysis. Yet, then, I also emphasized that this pre-occupation was partially due to the political context in which the American cities have been located, and to the geopolitical imagination placing those cities into an ideological context. If this is true, then, is it possible to argue that there has been a convergence of European politics and American politics around a single model; and that, in turn, this has led to the convergence of theoretical explanations? In other words, is it the case that neoliberalism forces the political systems, and especially the European one toward such a convergence?

Here we should also ask this question: How different are the policy propositions of the Third Way from those of a pluralism rooted in American experience? In fact, MacLeod and Goodwin (1999) remind us that we should take the spatial context of the object of inquiry into account. We have seen that the American experience in political decentralization has produced individual case studies with an emphasis on the unique character of each case. In the literature much inspired by the Third Way ideology, trying to explain the European experience (as well as other country examples) however, we see a tendency to start with universal assumptions about the socio-economic features of the localities and regions as communities. May be, it can be argued that such analyses combine the insigths from the political experience of America with a European twist while trying to come to terms with the consequences of neoliberalism as a set of economic principles and practices.

The studies that MacLeod and Goodwin (1999) are critical of assume that the economic consequences of neoliberalism directly determine the fate of cities and regions, and are directly translated into political strategies of the local actors, without any mediation. However, Jones and Ward (2002) bring strong evidence to refute this

assumption. In their study on the evolution of the British urban policy, from late 1970s to present, they convincingly argue that the different governments's attempts to control and intervene with capitalist accumulation crises has lead to internalization of those crises into the state apparatus and to the political arena (this point is made by reference to Harvey's work on *Limits to Capital*) (2003: 7). In such a context, cities and/or regions have been seen both as the site of and solution to socio-economic crises. The authors claim that state interventions perpetuate and intensify capitalist accumulation crises. Their conclusion is that urban crises, and the policies formulated to find a way out, could be understood as the products of the very state policies designed to solve them more than being an expression of capitalist accumulation crises (2003: 4). Of course, their study still bears a structuralist tone and do not leave much room to discuss the role of local agency and local actors in shaping of those state policies.

I think, Macleod and Goodwin (1999)'s warning constitutes the departure point for an alternative theory urban governance. However, I would not reject the notions of urban regime and urban coalition as irrelevant categories of analysis. Because, we can understand the dynamics behind the current *reterritorialization of the neoliberal state (form)* only if we try to explain how urban coalitions and/or regimes are built, especially by problematizing the institutional site(s) of their formation as well as the processes through which local (and extra-local) agents build such coalitions (see our previous reference to Jessop's micro-physics of power). Harvey's insight that I previously alluded to is of great value in that sense. The attempt of local agents to sustain and reproduce the geographical fixes of capitalist accumulation process could be an important entry point for a further analysis, given the national governments's tendency to devolve, not only

authority, but also the responsibilities of economic policy-making to cities and regions, already forces them into such a defensive position. The (case) studies of the genre criticized by MacLeod and Goodwin (1999) concentrate on success stories. How the story develops in deserted, losing localities/regions is not problematized. Harvey's point, in that respect, is very valuable.

V - Political Parties and Local Politics

I think, a closer examination of the role of political parties in local politics can help us unfold the above outlined research project. The reasons are three-fold:

1) The literatures examined so far does not help us explain how of a locality/region turns into a self-motivated, politically active agent.. We need to understand how they are formed into a community, if there is any. In that respect, how certain local social conflicts are resolved into a common project, or reproduced around certain issues, should constitute the focus of analysis. Here, I argue, the political parties could assume a very critical role as facilitators and agents of political action.
2) We need to understand the likely organizational and political dynamics behind creation of coalitions, and/or regimes. It can be argued that the very existence and even motivation of civil society organizations, ie institutional thickness, donot provide the necessary conditions for initiation and/or success of a comprehensive locally formulated development project (cf. Leibowitz, 2003; Bradford,). I claim that the very nature of political parties put them under the spotlight as political entrepreneurs and motivators.

3) Apparently, it is the political parties controlling governments which formulate grand strategies as the Third Way, and attempt to solve urban/regional crises. In that respect, how certain local interests are incorporated into formulation of such policies, and thus define a national political agenda still remains unexplored. The literature on political parties suggest that national political parties are not necessarily strictly hierarchical bodies employing a top-down logic. Instead, their very logic could have local roots. Here we should discuss how national political parties act as co-ordinators of inter-local/regional policy-making and interest representation.

National political parties and local politics

To unfold those arguments, we shall start by defininig what a political party is. The definition that I will use is the one made by Laswell and Kaplan which follows to a Weberian line of analysis (cf. Weber, 1958: 194-195):

> "A *party* (political) is a group formulating comprehensive isues and submitting candidates in elections. … a party involves organization- it is a group; and it is characterized not merely by its perspectives but by distinctive practices as well. … Parties are distinguished from other demand groups in their concern with power-they attempt to exercise control over group decisions… A party … is internal to the group over which it seeks power … [and its] status has been formalized-it functions as a part of the regime" (Laswell and Kaplan, 1950: 169-170).

To re-iterate what the authors say, we can define political parties as *organized groups* seeking power over *group* decisions, whose motivation is to effect certain changes along the lines of their *comprehensive* (ideological) *formulation* of the problems. In other words, political parties are active agents whose aim is to put an ideological or pragmatic project into action. Once compared with trade associations or labour unions, despite their likely links with such groups, they possess a higher capacity to formulate

specific interests into a coherent policy-package, into *a comprehensive project in public interest.* Exactly at this point, the political parties ability to formulate comprehensive discourses, no matter how sincere they are in accepting the specifity of their interests, make them perfect candidates in formulation of a *community project.* Thus, they can produce a public agenda upon which different interest groups could agree. Of course, this is not a taken for granted assumption.

Here we should ask the following question: What kind of a party can formulate a local public agenda? Are national parties (and their local branches) capable of formulating and generating such *local social contracts*? Or should there emerge local parties, truly local both in their scope of action and discourse? Our answer to this question can be laid out by further reflection on the nature political parties. According to Maurice Duverger, local concerns/issues is one of the origin points of national political parties. He claims that

> "A priori it would seem that community of political doctrine has constituted the essential impulse in the formation of parliamentary groups. Yet facts do not always confirm this hypothesis. Often geographical proximity or the desire to defend one's profession seems to have given the first impulse. Doctrine only came afterwards. Thus in certain countries the first parliamentary groups were local groups which eventually became ideological groups. The rise of parties in the French Constituent Assembly is a good example of this kind of development" (1964: xxiv)

In other words, national parties which struggle in the house of power (Weber, 1958) could well stand for cetrtain locally formulated interests. Their function, then, can be seen discoursively packaging such interests (those stemming from the concerns of certain localities/regions) into *national interests* (cf. Agnew, 1997). Following this conclusion, we can hypothesize that any attempt in state reform formulated/implemented

by a political party (like the British Labour Party), in other words any attempt to *reterritorialize the state form* bears strong references to certain local interests, while excluding some others. In the British context, the dominance of finance capital and the interest of the City (a label denoting the community of financial interests located in London), constitutes a beginning point to investigate the relations between various local interests associated with other fractions of capital (like industrial capital of Manchester for example ?), and *the national interest* (see Gramsci's formulation of the Southern Question in Cox et al, 1985: 166 in the case of Italy; as well as Lipset, 1963's discussion of the geographical roots of American parties, especially chapter 9). Here, exactly at this point, ideological emphasis on localism enters the picture, as a buffer to the destructive social consequences of financial capitalism and dissolution of the welfare state. Mike Geddes, in his extensive empirical analyses of the performances of local coalitions/partnerships in the EU, conclude that they do not reflect the rise of "a priviliged local level of social action, but a form of fragmented local crisis management"(Geddes, 2000: 797; cf. Jones and Ward, 2002; cf. Eisenschitz and Gough, 1996).

Political parties and local coalition building

We will now once again refer to Duverger'study where he identifies local (electoral) commitees/branches as one of the constituting pillars of a political party, along with the parliamentary group, and observes that

> "[t]he creation of electoral committees tends … to be a left-wing effort because fundamentally it is advantegous to the Left: the task is, by means of these committees to make known new elites which will be able to compete in the minds of the electorate with the prestige of the old elites. But the Right is obliged to follow the example in order to retain its influence" (Duverger, 1964: xxvii).

In that respect, we can see that local branches of the political parties assume the function of promoting and supporting (new) local elites, as part of a local political competition. Here, especially Duverger's emphasis on the Left nature of such committees indicate that political parties can be functional in strengthening the representational capacity of various social groups by organizing their energies and resources into formal/informal political action, who can discover their objective interests in and through struggle, as Castells (1978) would put it. Political parties's ability to formulate particular interest into relatively coherent policy-agendas. Yet, it is not enough to formulate those agendas. They have to be effectively supported and negotiated with other interest groups. Here, the need for political entrepreneurship arises. Weber's analysis of *politics as vocation* (1958: 102-103) indicate that there need to be professional backing and support of those whose vocation becomes political activity so as to be able to mobilize the masses (cf. Schumpeter, 1952: 283) and to promote a political agenda represented and formulated by local political leaders. In that respect, without active involvement of political parties in local policy formulation, there would be less chance of *effective co-ordination of various local groups/institutions*. In that respect, reluctance of representatives of both business communities and trade unions in the EU to join local partnerships (Geddes, 2002); or the difficulties met in mobilizing a co-ordinated collective action as an experiement in associative governance (Leibowitz, 2003; Bradford, 1997) in Ontario, are telling examples of the need for a co-ordinative mechanism.

One suggestion would be to pay more attention to the role of local political leaders, like mayors, in policy formulation and promotion within the framework of a

community spirit. However, as Genieys et al (2004) suggests, decentralization of the state, in France characterized by the influence of local notables for example, forces such leaders to establish terrritorial policy networks with the help of professional technical/political support, so as to be able *to create a local community as an actor.* In that respect, although local leaders can play an active role in facilitation of a state reform project, or an economic development strategy (Shatkin, 2004: 15), we inevitably turn back to the question of coalition/network building as part of *reterritorialization of the state* , an attempt which cannot be maintained unless some sort of organized political action is taken. Here the example of Italy and the emergence of succesful regions and cities become significant. (Ceccarelli, 1982) maintains that the communist and socialist parties's positive response to the popular demands with lesser dogmatizm during 1970s brought them to power at the local level. In fact it is exactly the merger of strong organizational capacity of the communist/socialist parties (Duverger, 1958) with an active interest in local economic development gave rise to the success stories in Italy, like Bologna. Interestingly, many of the local entrepreneurs who have been part of this success stories have been the members of those parties, or have had some sort of affiliation with the trade unions (reference?).

It should be noted that the political system of the country under concern is an important factor to take into account. Stone, while building her account of urban regime theory, argues that "the programmatic (their group allies) that operate in European cities provide more substantial building blocks than the candidate-centered politics characteristics of U.S. cities" (2004: 7; also see Fainstein, 1985: 561-562). Her emphasis suggest that the political parties do constitute an important institutional basis for

facilitation and construction of urban regimes/coalitions. It can be argued that they constitute an important part of the *political opportunity structure* (to employ Tarrow's term as operationalized by Miller, 1994) that a social group make use of to mobilize certain political demands, before the state or other non-local actors to build closer collaboration/linkages with them to render their local economic development efforts succesful (cf. Brautigam, 1998: 6)

VI - Concluding remarks

Throughout this paper, I tried to show that available theories on local politics, and especially the recent literature on the rise of regions and localities do not pay enough attention to the role that political parties (can) play in facilitation of local/regional development projects. This, the paper argued, is due to the influence of the Third Way ideology on the basic assumptions of such studies, which raises, interestingly, very similar arguments of pluralism raised at the other side of the Atlantic. I linked this observation to the relationship between neoliberalism and the Third Way. The paper further claimed that rise of localities and regions reflect *reterritorialization of the state (as form)* and that political parties have taken an active part in formulation and implementation of this process both at the national and local level. So, the paper suggested placing more emphasis on political parties's role in contemporary local politics.

VII - References

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