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# Post-Socialist Neoliberalism: Towards a New Theoretical Framework of Spatial Production

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## Abstract

During the past five decades, the neoliberal market economy has become one of the most influential forces in the process of spatial production, transforming cities worldwide by subjecting them to the rationale of global finance. In a world where religions and ideologies continue to lose their influence, financial supremacy has turned into an adequate substitute. The global nature and overarching impact of neoliberalism has made it the research focus of a vast cohort of urban and architectural scholars, historians, theoreticians, geographers, and economists, leading to a significant body of literature that discusses the relationship between the market economy and the built environment on all scales. This “globality” of neoliberalism is recently being disputed by its widely-accepted depiction as a western phenomenon with varied local implementations. Post-socialist neoliberalism, we argue, is not an isolated occurrence but rather an extreme case that accentuates the distinct features of neoliberal spatial transformations, making its characteristics more evident and traceable. This thematic issue challenges the notion of neoliberalism as solely a post-Fordist Keynesian phenomenon, proposing a new theoretical framework that redefines the neoliberalization of the built environment as a global spectacle with diverse, yet analogous, localized expressions across various spatial scales.

## Keywords

architecture; neoliberalism; post-socialism; spatial processes; urban planning

“One of the paradoxes of neoliberalism is that it is not new and not liberal,” Noam Chomsky teased (acTVism Munich, 2016), suggesting that the values of the modern global market economy closely mirror those of classical 19th-century capitalism and colonialism. Correspondingly, the conventional perception of neoliberalism often portrays it as a resurgence of pre-Second World War economic structures, countering

the socio-economic order advocated by the Western welfare nation-states and their Keynesian policies (Harvey, 2005). With this broad characterization, neoliberalism encounters many challenges concerning its framing, global applicability, and operation on different spatial scales. Its overuse turns it into a vague “theory of everything” used to describe any right-leaning negative phenomena (Rowlands & Rawolle, 2013, pp. 260–261), while its association with profit-oriented dynamics, inherent to capitalism, raises questions about its purported novelty. Viewed through this lens, neoliberalism risks falling into the category of “pseudo-theories,” as defined by Popper (2002, pp. 45, 89), explaining virtually everything and thereby becoming tautological, ineffectual, and irrelevant. Moreover, the classification of neoliberalism as a primarily “Western” phenomenon with “non-Western” variations hampers its conceptualization, limits its global applicability, and disregards the influence of local agencies and internal power structures within non-Western states.

Attempts to address these complexities suggest that “neoliberalization” consistently grapples with various local forces rooted in the “contextually specific histories of institutional organization” (Peck et al., 2013, p. 1093). Yet, such arguments, rather than clarifying the global nature of neoliberalism, seem more like “ad hoc...auxiliary assumptions” meant to “avoid refutation,” which eventually further impede the term’s scientific utility (Popper, 2002, p. 48). When it comes to the built environment, discussions around neoliberalism and the production of space tend to focus either on the grandeur of skyscrapers or modern museums (Cupers et al., 2020), the erosion of welfare architecture (Mota & Allweil, 2019), financialized large-scale urban development (Aalbers, 2016), or the neo-colonial involvement of Western countries in developing contexts (Soederberg, 2004). Concurrently, the dichotomy between monumental architecture and financialized “investor’s” urbanism also created inconsistencies in understanding how neoliberalism functions across various spatial scales. In order to relate neoliberalism with neoliberal spatial processes in a meaningful and scientifically sound way, a formulation of new hypotheses and a reconfiguration of existing theoretical frameworks are needed. Therefore, in this thematic issue of *Urban Planning*, we explore three main questions: What is “new” in neoliberalism to begin with (i.e., what distinguishes it from plain capitalism) in the way it influences the production of space? How is it a global phenomenon with local and regional impact? And how does it operate consistently on different spatial scales and between various social milieus?

A notable structural distinction between neoliberalism and capitalism lies in the prominent role of the state in the former. Unlike its classical predecessor, which advocated for laissez-faire and an entirely free-market approach, neoliberalism positions the state as a guardian of the market, preventing inflation, stabilizing markets, and providing a safety net (Friedman & Schwartz, 2008). This recognition of necessary “special interventions” to foster a favorable business and investment climate acknowledges that the market can never be entirely “free” (Harvey, 2005, p. 70). To comprehend the nuances of neoliberal spatial production, it becomes imperative to scrutinize the impact of privileged groups in steering the transition from state-controlled toward market-oriented urban development and analyze the spatial expressions of this transformation (Koleva & Magnin, 2018; Vujošević, 2003).

As argued by György Lukács (1971, p. 58), it is the capability to capitalize itself by “transforming its privileges into economic and capitalist forms of control” that enables a ruling class to adapt to the capitalist mode of production. A similar phenomenon occurs during the transition from socialism to neoliberalism, when privileged elites secure their interests through economic reforms (Harvey, 2005). This shift delineates a unique trajectory of *post-socialist neoliberalism*, characterized by the transformation of former

state-controlled enterprises into private corporations, led by the former regime's inner circle who capitalized on their status to become influential spatial agents (Schwake, 2020, 2022). The influence of these powerful agents on the production of space is unparalleled, resulting in a swiftly evolving built environment that, instead of public spaces and affordability, prioritizes investments, leverage, and profitability. Post-socialist neoliberalism, we argue here, represents an extreme case that accentuates the damaging features of neoliberal architecture. Furthermore, focusing on post-socialist (aka. "non-Western") contexts gives us the opportunity to redefine neoliberalism as a global phenomenon with diverse yet comparable localized variations—and their spatial manifestations.

In this issue we turn our attention to local implementations of neoliberalism analyzed through concrete case studies, which will give us the opportunity to propose new analytical and theoretical frameworks. Peck et al. (2013, p. 1093) described neoliberalism as a "creature of less-than-happy marriages" between global trends and local dynamics. Here, however, we wish to propose a different starting point, in which the neoliberal turn is not seen as an externally imposed transition but rather as one initiated and endorsed from within the state apparatus. In other words, we see it as a more than happy marriage between political and financial power structures that influences the production of space, to the detriment of the democratic and inclusive character of post-socialist cities (Staničić, in press). It is also evident, as all articles in this issue will testify, that this symbiosis manifests itself in the built environment in many different and often unexpected ways. Case studies discussed in this thematic issue are pushing the definitions of both "neoliberalism" and "post-socialism," to the point that the only way to make sense of them is to study them from a new, intertwined, and comprehensive viewpoint.

This is precisely one of the points of Łukasz Drozda (2024, p. 1), who in his article aims to "undermine the concept of the post-socialist city itself as reductionist, given the crucial importance of factors that differ from the influence of the pre-1989/91 times." He proposes instead the concept of "dubious post-socialism" to show how the socialist label is being fashionably attributed to many factors that, in fact, are not directly related to it, and that post-socialism can only be properly understood in much broader historical, political, and cultural contexts. In similar fashion, Gergely Olt et al. (2024, p. 1) argue "against the widely assumed hegemony of neoliberalism, not just in the post-socialist context, but anywhere." They point out that contemporary spatial production is so complex and intertwined with state ideologies that, to understand it properly, more-than-neoliberal rationales must be taken into account. Clientelist or neopatrimonial relations, for example, "can explain how [political] power is maintained without actual development, how corruption as a mode of rule is politically accepted, and why political struggles need to consider other aspects besides fighting capitalist class domination" (Olt et al., 2024, p. 1).

This coupling of authoritarian regimes with powerful international real estate development companies to secure political power under the pretext of economic progress was also the focus of Nebojša Čamprag. By analyzing three examples from former Yugoslavia, he demonstrates that "such a pattern is particularly noticeable in the implementation [of] large-scale redevelopment project[s]...causing many controversies due to state-led regulatory interventions, investor-friendly decision-making, and a general lack of transparency" (Čamprag, 2024, p. 1)—and we would add, state-sponsored violence. Čamprag, however, also offers glimpses of hope, arguing that these authoritarian planning trends have also generated a reaction from civil society organizations whose role in more inclusive and democratic urban planning is rising.

The role of planning system, and in particular planning institutions, is the key here as they are the ones that give legitimacy to these damaging trends. As Kucina (2024, p. 1) points out, “the mismatch between the dynamics of political and economic reforms and the static urban planning system” is constantly reproducing urban contradictions. He insists that the inconsistency of the socialist authorities in implementing urban plans has been continued with the “post-socialist governing tendencies towards irregularity, privatization, and commercialization of urban development” (Kucina, 2024, p. 1). Alternative approaches to urban planning, Kucina suggests, should install new institutional infrastructure for collaboration among citizens, urban planners, authorities, and developers. Along these lines, Egor Muleev examines the role of bureaucracy in urban transportation reform under the pretext of implementing “best practice” scenarios that still favor markets. Muleev (2024, p. 1) contends that “the agency in the provision of norms and regulations, calculations and forecasts, orders of economic exchange, and knowledge production concentrates in the hands of bureaucrats regardless of their formal attachment to state or private entities.” The decision-making, then, lies in the hands of a selected few, who have the power to decide not only on money distribution, but implementation of urban plans as well.

The transition from community housing model built under planned economy to market-led commercial housing inevitably affects the usage and appropriation of connected public spaces. As Tao Shi et al. (2024, p. 16) show us, during this process in China, “neighbourhood services [were] commercialized [and] the high-end services...have been cancelled while some new services have emerged.” This led to the social stratification that was even more augmented by the diversification of housing ownership, privatization of public resources, changes in property management, and changing characteristics of communal spaces caused by population replacement. Sophia Ilyniak (2024, p. 1) argues that “emancipatory ideals promoted by Western institutions and reflected in urbanist literature [and practice] are contradicted by ongoing economic restructuring— austerity, privatization, and deregulation,” where urban devolvement has put cities “into the competitive environment of place entrepreneurialism.” While post-socialist decentralization and reterritorialization has fostered local self-governance and gave power to local communities, she argues, it also reproduced unevenness across local, national, and global scales.

These changes by rule discriminate against people with low income, the poorly educated, people with no ties to the regime, migrants, and rural and older communities. In her article, Aija Lulle (2024, p. 1) contends that “envisioning the future of housing planning in post-socialist cities necessitates the acknowledgment of a pressing reality: many societies are undergoing rapid aging and depopulation.” In her view, “entrenched neoliberal practices [idealize] youthful, robust, and entrepreneurial residents, [while] considerations of aging are conspicuously absent from urban planning visions” (Lulle, 2024, p. 1). Approaching and practicing neoliberal post-socialist transition with care and a humanistic agenda in mind can lead to more inclusive cities and societies in the future. This kind of future-oriented thinking also requires innovative methods for urban and architectural design. Dalia Dukanac et al. propose entangling empirical (interpretation and use of space by its inhabitants) and analytical (as determined by architects and architectural theoreticians) perspectives in order to close the gap between common and professional interpretation of social housing. According to them, this approach can help us explore and theorize “new possibilities opened up by the [existing] buildings: interstitial, intermediary, transitional spaces, and spatial in-betweens” (Dukanac et al., 2024, p. 1). This pursuit of both “meticulously planned and dynamically conceived spaces [is] not only a way to respond to specific [socio-political] realities, but [it] foster[s] the capacity of architecture to accommodate the future population and socio-economic transformations” (Dukanac et al., 2024, p. 1).

Articles featured in this thematic issue make it clear that studying and practicing the production of space under post-socialist neoliberalism requires the multiplicity of readings, manifestations, implementations, and applied research methods. They also prompt us to think about multiple actors that are affected by these changes, and about the complex relational networks that make them all endlessly intertwined. Going beyond already established political-economic frameworks, here we would like to argue for a new approach to studying post-socialist neoliberalism that acknowledges the messiness of socio-spatial power relations, happy marriage of global financial systems and ideology, as well as structural deficiencies of existing mechanisms of production, management, and control of spatial resources.

### Conflict of Interests

The authors declare no conflict of interests.

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