



## Neoliberalism as spatial fix: An example from South Africa

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### ABSTRACT

Neoliberalism is the hegemonic economic and geographical discourse of our time. Even though the global recession has proven the fallibility of the system and the need for it to be jettisoned, the geographical aspects of this system will remain intact for the foreseeable future. Although neoliberalism has been part of the geographical lexicon for some time now, and a substantial body of work bears testimony to this, its spatial features and effects have hardly been exhausted in the geographical literature. This is even more salient when it comes to the South African situation. The spatial impact of neoliberalism in South Africa remains largely neglected. This paper is a response to the perceived lacuna in the geographical study of neoliberalism in South Africa. What I want to discuss in this paper is the spaces which the neoliberalisation of water services in the Durban (eThekweni) municipality has created. In this regard the concept of the spatial fix linked to ideas of crisis is deployed. The neoliberalisation of water services has had uneven spatial effects which I seek to elucidate. My contention is that for neoliberalism to survive as a system it has to create an uneven geography. My contention is that the neoliberalisation of water services and in consequence the neoliberalisation of space in the Durban (eThekweni) municipality violates the rights of citizens. Furthermore, I contend that one's place in space determines the nature of one's citizenship.

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### 1. Introduction

Over the past three decades neoliberalism has with little question been the *hegemonic* political economic discourse (Harvey, 2011; Peck, 2011). There is virtually no country or region which has not fallen under the influence of this global discursive regime – particularly in its incarnation as an economic (discursive) system. Even relatively recently liberated states such as South Africa have not been spared. In the case of South Africa, one could perhaps provocatively suggest that the country has been captured by neoliberalism. I would maintain that the process has occurred discursively as technical languages have been deployed to affect what is in many ways a discursive colonization of the incipient democratic state in South Africa.

In this paper I want to consciously engage with the spatial effects of neoliberalism, more specifically in its local incarnation. It is a given that the spatial effects of neoliberalism are uneven (Brenner and Theodore, 2002, 2005). It would follow that the spatial effects across various economic sectors might exhibit a similar unevenness. I contend that these uneven spatial effects are indicative of a general dynamic which informs neoliberalism. In this regard, I want to focus on the water sector with a view to linking it with the general dynamic of neoliberalism and investigating its spatial effects. A great deal of work has been undertaken on water, with a number of different perspectives informing the debate

around the neoliberalisation of water (Prudham, 2004; Bakker, 2005, 2008; Swyngedouw, 2005; Laurie, 2007; Watkins, 2007; Mansfield, 2008). Although there is some work on South African cities specifically (McDonald and Pape, 2002; Mirafteb, 2004; McDonald and Ruiters, 2005; Loftus, 2006; Samson, 2010; Narsiah, 2011), relatively little has been done on Durban, which is one of the biggest metropolitan areas in South Africa (but see Loftus, 2006, 2007; Narsiah, 2010a). The contribution of geographers to the spatially varied effects of neoliberalism in South Africa has been relatively sparse. Geographers elsewhere have made quite significant contributions to the debate around neoliberalism globally and also in terms of its local effects (Harvey, 2005, 2007; Peet, 2007; Mansfield, 2008; Larner and Laurie, 2010; Peck, 2010, 2011).

The geographical aspects which have informed the application of neoliberalism in South Africa have hardly been engaged. In this paper I show how spatial restructuring, particularly at the local level, an essential response to address the historical legacy of apartheid, led to a crisis situation. While it is well documented that the response to this crisis was neoliberal spatial strategies used by various sectors, such as the water sector, for example has been largely neglected. In this paper I show how various spatial strategies have been adopted by the Durban (eThekweni) municipality to inform neoliberal water and sanitation services delivery.

This paper is organized as follows: neoliberalism is explored with the intention of situating the study within a theoretical context. I subscribe to the idea of the 'spatial fix' borrowed from the geographer David Harvey. I then apply these ideas to understand

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the crisis of apartheid and neoliberalism as a response. There is a scalar dimension to this – using Harvey's conceptualization (following Bertel Ollman) of internal and external relations. Thus, while the national state and local state are linked they also have an internal dynamic which drives them. It is this internal dynamic which I then consider in the Durban water case to demonstrate how the local state has engaged a spatial fix as crisis response. I conclude the paper with a consideration of the maturing of contradictions as the water and sanitation crisis response (spatial fix) begins to break down.

## 2. Neoliberalism as crisis response

Perhaps one of the most consistent writers on neoliberalism in Geography is Jamie Peck, and his oft quoted characterization of neoliberalism as roll-back neoliberalism and roll-out neoliberalism (Peck and Tickell, 2002). This characterization is based on a reading of the evolution of neoliberalism from around the late 1970s through the 1980s into the present era. This characterization has been nuanced the more Peck has written on the topic (Brenner et al., 2010, Peck, 2010; Peck, 2011). Brenner and Theodore (2002, 2005) use a similar characterization but with an explicit focus on the city. One of the main difficulties in engaging with the geography of neoliberalism is the unnecessary complication of space, particularly the unevenness of the discourse. Yet, space is integral to the neoliberal project. Another problem with the discourse of neoliberalisation is the question of historical chronology – different places experience neoliberalism differently over time. The problem is thus a spatio-temporal one.

These reservations notwithstanding, Peck's work does give us an effective overview about what neoliberalism is and its impact, even if it is geographically specific, being confined to the developed world in the main. The developing world though, has not been left untouched by neoliberalism.

Crisis is an important feature of neoliberalism. And, neoliberalism is primarily a crisis response to the perceived failure of the post World War II Keynesian intervention (redistributive capitalism). As Peck (2006, p. 731) articulates "...neoliberalism is a creature of crisis—a political strategy fashioned (if not designed) to capitalize on crisis conditions, steering responses toward conservative ends—even if subsequent experience has led me to be rather more circumspect about forecasting neoliberalism's own crisis." Linking this with Harvey's concept of the 'spatial fix' one arrives at neoliberalism as spatial fix, a relationship which I explain a bit further on. Neoliberalism is therefore a response to crisis and the spatial fix is integral to that response (cf. Walker, 2004).

Perhaps it would be appropriate at this point to explain, very briefly, David Harvey's concept of the spatial fix and crisis theory. Harvey takes his cue from Karl Marx's *Capital Volume 1* focusing specifically on the concluding chapter which deals with the somewhat paradoxical issue of colonialism (Harvey, 1982). He identifies three 'cuts', in examining the capitalist system, the last of which, the 'third cut', he contends is spatial. Harvey contends that the rationale for this relates to the development of the forces of production which demands that a spatial solution be found for the crises of capitalism. The nature of the capitalist system exposes it to crisis on a continuous basis. For Marx this is exhibited through various accumulation crises and contradictions in money; commodities or labor. Harvey (1982) has suggested that space in many ways acts as a limit to capital accumulation but is also used to overcome the capitalist crisis of accumulation. This is promoted through the transformation of limits into barriers to be overcome (Harvey, 2011). For Harvey, space is indispensable to this process – he refers to this as the 'spatial fix'. There are a number of interpretations of the spatial fix (Schoenberger, 2004; Walker,

2004; Jessop, 2006). For example, the spatial fix is a way 'to productively soak up capital by transforming the geography of capitalism' that is it is a response to the capitalist crisis of overaccumulation (Schoenberger, 2004, p. 428). Another form of the spatial fix is "the creation of an expanded and improved built environment – investment in a whole suite of physical installations that sustain and enhance the system's ability to create wealth [and delay the onset of crisis]. This includes for example, transportation networks, water supply, waste disposal systems..." (Schoenberger, 2004, p. 429). It is this second sense of the spatial fix which informs this paper, but with a different focus – on the public sector. My contention is that the boundary between the public sphere and the private sphere in some sectors, like water, has blurred to such an extent that the public sector now behaves in a manner that is virtually indistinguishable from that of the private sector. This is a key characteristic of the neoliberal era. Harvey in *Limits to Capital* does not engage with this because his focus is on a longer historical period (Walker, 2004). However, in later work, in for example *A Brief History of Neoliberalism* he demonstrates how the local state acts in concert if not as proxy to resolve a capitalist crisis of accumulation. He has updated some of his concepts for example introducing the concept of 'accumulation through dispossession' – basically referring to (post)modern forms of primitive accumulation in his *The New Imperialism*. While the state is playing an increasingly important role in Harvey's work it remains underdeveloped (Jessop, 2006).

The spatial fix by its very nature can only be temporary (Walker, 2004). For Harvey (2011) these crisis tendencies are never resolved, merely moved around. And, because crisis is systemic it is not long before a new spatial fix is needed. There is a scalar dimension to this – for example the relationship(s) between the national state and the local state. Harvey (2011) asserts that this complex geography has largely been ignored.

Harvey argued in the *Limits to Capital* that it was not a closed, hermetically sealed treatise on capitalism rather that there are many possible versions/applications of the concept(s). According to Schoenberger (2004, p. 432) "...We are seeing a new version of the spatial fix...It is also laying the groundwork – through amplification and improvement of essential physical and environmental services – for new rounds of productive investment...*The new version of the spatial fix, then promises even more inequality, an even starker division between the developed and the underdeveloped than we witness at present.*" (Italics mine.) And, these inequalities are (re)produced on the landscape as contradictions – internal and external – mature.

I want to apply the concept of the 'spatial fix' to understand governance in the public sector. During the neoliberal era, the boundary between the public sector and the private sector has become increasingly blurred. The 'crisis' of the public sector as evidenced by perceived inefficiencies was an oft intoned mantra during the 1970s and 1980s. Moreover, it was a major reason for the overhaul of the public sector and its refurbishment with infrastructure that in many ways mimicked the private sector. The New Public Management (NPM) approach was a key vehicle for the realization of the neoliberal state. There are several features of the NPM which suggests that an economic rationality is overdeterminant. According to Hood (1995), a key writer on NPM, the approach is characterized, by among others, disaggregation or corporatization of the public sector; private sector management styles; discipline and frugality in resource allocation and use; and an emphasis on outputs. I would argue therefore, that the public sector which operates along these principles is virtually indistinguishable from the private sector. Furthermore, the emphasis on economic norms and values suggest that the citizen is reincarnated as *homo economicus*, and is governed in economic terms.

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