**State, strategy and scale in the competitive city: a neo-Gramscian analysis of the governance
of 'global Sydney'**

Pauline M. M^cGuirk

**Centre for Urban and Regional Studies
School of Environmental and Life Sciences
The University of Newcastle
Callaghan
NSW 2308**

Email: pauline.mcguirk@newcastle.edu.au

INTRODUCTION

Since the mid-1990s Sydney has consciously taken on the mantle of a global city and its governance has been oriented to the global economy and the global imperative of looking, acting and being governed as a 'competitive city'. This global integration of Sydney has witnessed both a reterritorialisation of the spatial patterns of economic relations and flows in which its economy is embedded and also a political repositioning as the city is increasingly recognised as a strategic site through which national global economic competitiveness might be engineered (O'Neill and M^cGuirk 2002). Its governance during this period has been deeply shaped by the rhetorics, policy forms and institutional configurations associated with urban neo-liberalism. This paper offers an analysis of the governance of 'global Sydney' since the mid 1990s, using the frame of neo-Gramscian regulation theory (Goodwin and MacLeod 1999a and 1999b; Jessop 1997; Jessop *et al.* 1999; Jones 1997; Keil 1998). This period represents an opportunity for analysis: a moment of turbulence in the universe of political discourse in which governance rationalities and claims might be recast, along with its practices, policy forms and institutional alignments (see Brenner and Theodore 2002a; Jenson 1995:239; Ramsay 1996) or, in neo-Gramscian terms, new hegemonic projects might be formulated which witness the articulation of a new conjuncture of state form and governance practice. Using a discursive approach, the paper aims to demonstrate the strengths of such a neo-Gramscian approach for enhancing the theoretical and practical understandings of urban governance.

Here, the neo-Gramscian frame provides several theoretical strengths. As a state-theoretic account, it keeps the state centre-stage as a object of analysis but develops a conception of the integral state as a multiscalar institutional ensemble whose capacity to govern must be realised contingently through situated practice (see Golding 1998; Gramsci 1995: 385-6; Hay 1998, 1999; Jessop 1990; 2002b; Jones and MacLeod 1999; MacLeod 2001; Valler and Betteley 2001). This enables the urban to be theorised as a key scalar component in the organisation of the specific conjunctures through which state governance capacity is realised and global neo-liberal accumulation secured (Brenner 2000; Brenner and Theodore 2002a; Cox 2001; Keil 1998 ; Jones and MacLeod 2003; Mayer 1995; Smith 2002). Urban governance itself, then, can be recognised as a process constituted at multiple scales, and as part of a more broadly conceived and multi-scaled project of political and economic governance (Cox and Jonas 1993; Kipfer and Keil 2002; MacLeod and Jones 2003; Peck 2002).

Also there are methodological benefits arising from the neo-Gramscian approach and its explicit attention to the constitutive role of discourse in the formation of hegemonic governance projects

around which scaled state conjunctures are materialised (Jenson 1995; Jessop 1998a; MacLeod and Goodwin 1999a; Ransome 1992:120). Discourse can be productively used, then, as an analytical entry point for exploring the situated practices by which governance at the urban scale is discursively connected to and articulated within a broader set of political-economic relations with which it is interdependently and contingently related (e.g. see Hay 1998). This brings a productive focus on how urban governance is produced as a practical contingent articulation within a multiscale context of political and economic governance in which the urban plays a crucial role (Brenner 2000). It offers an advance on theorisations of urban governance which have, in emphasising local politics, leaned towards voluntarist interpretations (see Jones 1997; Keil and Kipfer 2002; Lauria 1997a), and on neo-Marxist political economy interpretations which have leaned towards structuralist, essentialist and productivist interpretations (see Jenson 1990; MacLeod and Goodwin 1999a; Valler *et al.* 2001).

The paper begins by exploring the strengths of engaging a neo-Gramescan regulation framework to theorise urban governance, attending particularly to the utility of using discourse as an analytical entrypoint. It then presents a neo-Gramescan analysis of the changing practices, configuration and policy paradigms of urban governance in Sydney, most particularly with respect to urban and economic development planning. A discursive approach is used which, first, identities the practical articulation of the city's governance around the distinctively scaled hegemonic project of producing Sydney as 'the competitive city' (Kipfer and Keil 2002¹); a project through which the urban is politically constructed as a strategic scale for state intervention and which suggests particular (predominantly neo-liberal) forms of policy intervention. Second, it reveals how this is being advanced as a hegemonic project and a consensus around it tendentially secured through a practical politics and pursued through a prevailing discourse of partnership. The paper demonstrates the powerful contribution of this approach to how the specificity of Sydney's governance might be understood in a theoretically informed manner.

A NEO-GRAMSCIAN REGULATION APPROACH TO THEORISING URBAN GOVERNANCE

¹ Kipfer and Keil (2002: 235-6) suggest an emergent competitive city modality of regulation in global cities involving not just neo-liberal economic and social policy but a moral and social order, comprising an entrepreneurial planning framework, the aestheticisation of urban cultural politics as the 'city of difference', and a more or less revanchist approach to law and order. In this paper, the emphasis is placed on entrepreneurial urban and economic planning dimensions of the competitive city.

The widely recognised government to governance transition and the emergence of entrepreneurial city politics has driven a preoccupation among social scientists with the changing institutional fabric, policy paradigms and political practices of urban governance. Networked governance (e.g. Leitner and Sheppard 2002; Marsh and Smith 2000) and urban regime theory (John and Cole 1998; Stone 1989) have been prominent frameworks engaged to theorise the cross-sectoral, public-private collaborations and entrepreneurial policy forms which now widely characterise urban governance. While these frameworks have much to offer regarding the importance of the local politics and institutionalisation of urban governance (Imbroscio 1998; Mossberger and Stoker 2001), they have been critiqued for their localist focus, voluntarist tendencies, tendency to fetishise the urban scale, and failure to conceptualise the multiscale politics at work in shaping governance at the urban level (Cox 1993; Cox and Jonas 1993; Jones 1997, 1998; Lauria 1997b; MacLeod and Goodwin 1999a, 1999b; Ward 1996). Any corrective to such shortcomings requires both a relational perspective that situates institutions and practices of urban governance as mutually constitutive of broader systems and practices of political-economic regulation and a constructivist perspective that attends to the political economy of scale and exposes how the urban scale is politically constructed as a site and source of regulation.

Regulation theorists² in particular have sought to theorise urban governance and its constituent institutions as sites contributing to the broader project of securing the social-political-economic harmonisation (or social regulation) required for the reproduction of capitalist accumulation (see Collinge 1999; Cox and Mair 1991; Jones 1998; Painter and Goodwin 1995). The analytical insights of early work within this paradigm were limited by the ‘regulationist enigma’ (the reductionist tendency in conventional regulation theory to read-off local governance as the structural by-product of political-economic tendencies at a broader scale) (Jones 1997; Keil 1998; MacKinnon 2001), by a tendency to accept the urban as the logical and self-evident scale for the conduct of certain regulatory tasks, and by a related failure to recognise the politics of scale through which the urban is socially and politically constructed as a realm of strategic intervention. However, more recent developments within the regulationist paradigm have enriched its contribution to analyses of urban governance. There has been a productive relaxation of the tendency to focus on regulation, and its

² The Regulation approach focuses on analysis of the ‘structural coupling’ between a particular mode of accumulation and the social and institutional conditions which help secure its continued development—the mode of regulation. MacLeod (1997) points out, however, that the traditional regulation approach has undergone so many developments, and inspired such a variety of regulation-inflected analyses as to make it questionable whether it can still constitute *an* approach.

mediation by the state, at a national level (see Duncan and Goodwin 1988; Brenner and Theodore 2002a; Kipfer and Keil 2002; MacLeod 2001; Peck 2002). Instead a geographically differentiated approach has been developed which centres on the spatialised nature of capitalist regulation, in which the state is viewed as a disparate, multi-scalar institutional ensemble with a scaled division of labour (Brenner 2000; Collinge 1999; Cox, 1993; Cox and Mair 1991; MacLeod 2001; Swyngedouw 2000). And within this the local state, the core actor in urban governance, is taken to be 'one historically and geographically specific component of the complex, sociospatially uneven institutional structure of the state' (Kipfer and Keil 2002: 233). Relatedly, there has been a relaxation of the tendency to seek a necessary logic or determinacy, in the institutionalisation of particular governance and regulatory tasks at the urban scale (Cox and Jonas 1993; MacLeod 2001). Rather, the scaling of regulatory processes is taken to be 'neither natural nor inevitable, but instead reflects an outcome of past political conflicts and compromises' (Peck 2002: 340). So there is an increasing sensitivity to the need to see the regulatory tasks of urban governance and their institutionalisation at the urban scale as the outcome of a contingent process of political construction that represents a specific articulation of the relations between macro- and micro-contexts and of interactions between strategy and structure (Brenner and Theodore 2002a; Cox and Mair 1991).

These insights have emerged from a burgeoning attention to the political economy of scale (Brenner 1998;1999; Cox 2001, 1993; Jessop 2002a; Jonas 1994; MacLeod and Goodwin 1999b; Paasi 1991; Swyngedouw 2000), triggered by observation of globalisation-driven reworkings of the spatial and scalar organisation of state and corporate functions (Cox 1998). The decline of the national scale as the key geographical basis of accumulation and regulation has brought a relativisation of scale whereby older institutional hierarchies of scale have been disrupted and are yet to be replaced by a privileged level at which socio-economic affairs are governed (Jessop 2002a; Sassen, 2003; Swyngedouw 1997). Observation of these developments has led to the recognition that 'spatial scales are never fixed, but are perpetually redefined, contested and restructured' (Swyngedouw 1997,41), alerting us that the scalar organisation of governance is no 'natural' or necessary occurrence but is, rather, a political accomplishment that is contested and historically produced (Cox 1993; MacLeod 2001; Swyngedouw 2000). It is contingently spatialised, resulting from collective social action and struggle among dominant social and political forces to construct a form and scale of governance

which can serve their particular strategies (Brenner 1998; Cox 2001)³. The urban scale itself, then, has come to be recognised as an active political construction. Recent analytical attention has been focussed on the growing privileging of the urban as a strategically important scale at and through which neo-liberal accumulation and regulatory strategies can be institutionalised and pursued (Jessop 2002a; MacLeod and Jones 2003, Smith 2002).

Thus contemporary regulationist accounts have moved us towards more theoretically effective analysis of urban governance by developing relational and constructivist perspectives. Urban governance is conceptualised relationally as embedded in and constitutive of a broader, multiscaled and spatialised system of political-economic relations, revealing how its institutions, relations and practices might fit within global capitalism's search for a 'scalar fix' in the territorial reorganisation of accumulation and regulation (Collinge 1999; Brenner 1998; Jonas 1996). Moreover, governance at the urban scale is conceptualised as a construction constituted politically by actors, institutions and politico-economic forces operating simultaneously across a range of inter-meshing spatial scales (Cochrane 1999, Cox and Jonas 1993; Jessop *et al.* 1999). What these advances in the regulation approach have done is to bring a useful focus on the contingent political practice of regulation (see Larner and LeHeron 2002); on the specific social and political practices that are determined at multiple scales which tendentially shape particular institutional forms and mechanisms of governance and cause them to be articulated at and through the urban scale. This focus on actually existing practice offers new potential for the theorisation of urban governance (see the 2002 special edition of *Antipode*).

Many of these advances can be linked to the development of a neo-Gramscian variant of the regulation approach, notably through the work of Bob Jessop (and see Collinge and Hall 1997; Hay 1996; Jenson 1995; Jones 1997, 1998; Keil 1998; Kipfer and Keil 2002; MacLeod 1999; MacLeod and Jones 1999; Marsh and Smith 2000; Valler and Betteley 2001). This approach has two features that render it especially useful to urban governance. First, the neo-Gramscian approach keeps the state and its strategic role in articulating the interests of capital at centre-stage, however it draws on an integral notion of the state as 'a complex ensemble of institutions, organisations and forces (operating within, orientated towards or located at a distance from the juridico-political state

³ For instance, the urban rather than national has been developed as the primary scale at which entrepreneurial public-private governing coalitions should operate to produce competitive investment environments to 'draw down' globally mobile capital.

apparatus') (Jessop 1997a, 52)⁴. This is a notion which can, because of its attention to the fluid boundaries between state institutions and civic society (Kipfer and Keil 2002), capture the links between state and non-state actors that combine in shaping institutions of urban governance. Moreover, spatiality is central to the notion of an integral state because it recognises the state as having a dispersed scalar form (Collinge 1999; Kiper and Keil 2002). As a loose institutional ensemble that is spatially disparate, the unity of the state and its capacity to govern—to achieve regulation—is neither pre-given, necessitated by a determinative capitalist logic nor, indeed, assured. Rather it is a potential and can only be accomplished politically (and hence contingently) through activating specific conjunctures of social, economic and political forces in a contingent articulation (Jessop 1990; Hay 1999). These are activated via strategically constructed concrete programmes of action regarded, in Gramscian fashion, as hegemonic projects, and within them an institutional form for the state is generated which, in particular times and places, can achieve cultural hegemony—broad societal acceptance⁵—and can universalise and advance the welfare of dominant economic, social and political interests. These interests are conceived of as a power bloc⁶ that provides a social base of support for state hegemonic projects within which there is an on-going struggle to achieve and maintain the particular institutional form and scalar organisation of the state through which these projects can be pursued (see Williams 1973). So the neo-Gramscian insistence on the contingency of the successful construction of hegemonic projects, and a related state form, creates a productive focus on practice and on actually existing forms of governance and their geographies (Brenner and Theodore 2002a; Peck and Tickell 2002). And crucial to the argument developed here is that the neo-Gramscian approach insists that discursive formations⁷ play a major part in interpellating hegemonic projects and articulating their social base of support amongst dominant interests, as well as in securing the broad consent of subordinate social interests (Keil 1998; Laclau

⁴ Here, Jessop (1990) envisages the state as a constellation of social forces, political coalitions, policy patterns and ideologies with no institutional fixity or pre-given unity. This draws on Gramsci's notion of the integral state which conceives of all institutions which enable the dominant social groups to exercise power, whether formally public or private, as components of the state's institutional ensemble (Femia 1981:28). The state, for Gramsci, is 'the entire complex of political and theoretical activity by which the ruling classes not only justify and maintain their domination but also succeed in obtaining the active consent of the governed' PN182

⁵ Societal acceptance may operate at the level of ideological consensus with the socio-political order, or at least with vital aspects of it (Femia 1981). However, 'pragmatic acceptance' is maintained through a series of political compromises which integrate popular demands aimed to achieve compliance (see Jenson 1993).

⁶ These interests are not assumed to have a pre-given unity. Rather interests and their unity have to be (re)articulated and contingently maintained as a series of alliances, compromises and patterns of domination (see Jenson 1990:664). The state plays a central role in forging this unity and in articulating and managing contestation between various factions (Smith 2001:190)..

⁷ Discursive formations are systems of connected discourses amongst which there is a regularity in the objects, operations and concepts with which they are concerned.

and Mouffe 1985; Smith 2001). Hence the state is a social relation through which particular concrete programmes of action that serve the objectives of dominant interests can be strategically constructed (and this is an inherently scalar operation). It is a terrain of struggle whose unity, institutional organisation and practices are contingently articulated and rearticulated (Smith 2001), and wherein discursive processes are fundamentally important.

The second feature of the neo-Gramscian approach especially useful to theorising urban governance is that the state is understood to be both structurally and strategically selective (Jessop 1990). It is not equally accessible to all social forces but, in a given conjuncture, is constructed in a form that is more permeable to representations of some types of political agents and agendas than others. It is permeable with most ease to particular agents whose interests can be unified as compatible with and discursively aligned to a hegemonic project, while the access of those with inconsistent interests are deferred: their articulation given little space in the universe of political discourse (Hajer 1989; Cox and Mair 1991; Jessop 1997a; Jenson 1993; Ramsay 1996). Thus some interests, policy issues and policy forms are privileged over others and more likely to be institutionalised, enabling them to be strategically drawn together or unified in a particular conjuncture through which governance capacity is activated. So not only are policy directions and forms of intervention developed which pursue particular projects and strategies favourable to hegemonic interests, but so too are forms of representation which ‘systematically favour the access of key sectors and social groups to sites of political and economic power’ (Jessop *et al.* 1988:159; and Jenson 1989). But again this selectivity is an accomplishment not a given—it has to be practically activated, discursively driven (see Cox and Mair 1988; Hay 1998; Jenson 1993) and its various elements and moments articulated. And the state is crucial to this articulation (Smith 2001). Understanding how the structural and strategic selectivity of the state is materially and discursively activated is crucial to understanding how any hegemonic project, a supportive hegemonic bloc and an appropriate state form is produced. Such a conjuncture is only provisional, not structurally determined. Crucially, its achievement relies on the alignment of specific political forces and regulatory practices as well as discourses which narrate and contain these alignments, enabling them to have political effect.

Attending to discourse through a neo-Gramscian frame

The neo-Gramscian approach suggests, first, that the form of urban governance—its policy paradigms, institutional form and regime of political representation—can be understood as part of the creation and maintenance of hegemonic projects (Jessop 1983, 1997a). Further, it suggests that

the form of urban governance emerges from the crystallisation of state structural and strategic selectivity through specific political, social and discursive practices. Methodologically, it suggests discourse as a productive entry point for exploring the practices of political construction by which the elements of a hegemonic project are shaped, and likewise how the discursive space is generated in which state form appropriate to the project's objectives can be articulated.

Jessop's influential development of neo-Gramscian state theory draws on Laclau and Mouffe's (1985:96) Gramscian interpretation of discourse as an articulatory practice which constitutes and organises social relations (Jessop 1990:242; Smith 2001). The institutional practice of urban governance, like all social practice, is taken to be constituted in discourse. Discourses frame and construct the rationalities of governance, its modes of strategic calculation, its technologies and the interests and political subjects to be governed (Jessop 1990; Painter and Goodwin 1995; Raco and Imrie 2000; Rydin 1998)⁸. These rationalities, practices and interests, though stabilised at various scales through the institutionalised practice of governance, are fundamentally discursively constituted. They are inherently if not, ultimately, exclusively discursive productions (see Painter and Goodwin 1995). The practical accomplishment of urban governance requires a series of dispersed elements (e.g. political interests, rationalities, technologies, realms of policy intervention) to be drawn into relation, and articulated into a concrete conjuncture⁹. Only in such a conjuncture can the unity of the state be realised and its governance capacities activated. This practical articulation of a conjuncture is, then, in an important sense a discursive moment of political construction which may as such be best understood in discursive terms (Keil 1998: 635; and see Painter 2000).

The neo-Gramscian approach specifically attends to the role of discursive formations in articulating hegemonic projects, their social base of support, the institutional forms and practices that they generate and, ultimately, a broader underlying consensus. These formations provide the dominant social imaginary (context)—the universe of political discourse—in which policy issues are framed, political subjectivities mobilised and judged to be legitimate/rational or otherwise, in which policy solutions are rendered thinkable and the reflexive behaviours of social and political actors shaped

⁸ The application of discourse analysis to governance has predominantly been framed by Foucault's approach to governmentality—the rationalities which make possible particular systems and technologies of governance. These rationalities are discursive productions. Governmentalities are characterised by their particular way 'of thinking about the kinds of problems that can and should be addressed by various authorities' (Miller and Rose 1990:2 in Raco and Imrie 2000).

⁹ This is Laclau and Mouffe's 'nodal point' in which identities and relations are (temporarily) fixed in a field of discursivity (1985:112).

(see Atkinson 1999; Hajer 1995; Jenson 1990; 1995; Peet 2002). By tracing these discourses as articulatory practices, we can begin to identify how they interpellate political identities and interests for specific actors or collectivities, inscribe their engagement and selectively institutionalise them, how they favour particular discursive strategies and suggest particular policy practices and, thus, how they enable the emergence of hegemonic state forms (Hay 1996; Jenson 1995; Jessop 2001; Peet 2002). That is, we can identify how state institutional form, interventions and regime of political representation are practically mobilised.

Moreover, using discourse as an entry point enables us to attend to the scalar organisation of the state and its governance activities. Effective discourses are essentially multiscalar productions and can, therefore, only be understood effectively as constituent parts of local and extra-local discursive contexts (Van Dijk 1997). The disciplinary power of a discourse—its hegemonic depth (Peet 2002)—lies in its resonance with broader societal discourses and imaginaries and with other cultural and institutional formations (Cox 1998; Jessop 1997b; Jenson 1995; Jonas and Wilson 1999; Keil 2002; McCann 2002; Peet 2002). Analysing urban governance through addressing its discursive practices and flows enables a relational view that attends to strategic configurations of inter-discursive linkages between locally-contingent policy discourses and political-economic discourses circulating at and emanating from scales beyond the local. This lends itself methodologically, then, to capturing the multiscalar interdependencies which produce governance capacity at the urban scale. Furthermore, attending to the discursive practices of governance addresses the difficulties of understanding the urban scale as a political construction. It draws attention not just to the framing of issues as political problems in need of governance, but also to their framing as needing governance at particular scales (Atkinson 1999; Jessop 1997a; Painter 2000). This approach can reveal the politics of scale and unpack the social and political construction of the urban as the logical and self-evident scale for the conduct of particular regulatory tasks.¹⁰ So the strategic significance of the urban as a site and scale governance can be understood in relation to broader systems of regulation (ultimately that of the regulation of global neo-liberal accumulation [Smith 2002]) and the scalar organisation of the state (Collinge 1999).

ANALYSING SYDNEY'S GOVERNANCE

¹⁰ Of course, the successful social construction of scale then has material effects through the creation of institutional configurations, regulatory mechanisms, and forms of political practice which constitute urban governance (and, furthermore, goes on to shape and be constitutive of further struggles over scale).

The paper here places the practice of urban governance in Sydney at the centre of analysis.¹¹ It presents a multiscaled discursive account of the articulation of a contingent conjuncture of state form, regime of political representation and mode of intervention around the urban scale, focusing on the period since 1995 as a key period of governance transition.¹² This is a key stage in Sydney's global integration during which there has been a conscious agenda of seeking global city status, a growing recognition of Sydney's position as a strategic site in the transformation of the Australian national economy and a significant transition from government to governance and towards entrepreneurial city politics (McGuirk 2003b). This period represents an opportunity for analysis: a moment of turbulence in the universe of political discourse in which governance rationalities and claims might be recast, along with its practices, policy forms and institutional alignments (see Brenner and Theodore 2002a; Jenson 1995:239; Ramsay 1996) or, in neo-Gramscian terms, new hegemonic projects might be formulated which witness the articulation of a new conjuncture of state form and governance practice.

This analytical account begins by tracing the politics of scale engaged in by state agents and by and privileged non-state actors as they have discursively constructed a hegemonic project of producing Sydney as a competitive city and as a strategic site and scale of governance. It also reflects on what this has meant for state form. However, such an account needs to begin with contextualisation within a broader state hegemonic project of producing 'global competitiveness' for the Australian economy: a project that resonates with neo-liberalism as a discursively dominant ideological and political rationality (see Peck and Tickell 2002; Peet 2002). This contextualisation reveals the multiscalar discursive and political-economic interdependencies within which urban governance is contingently fashioned¹³. Since the Hawke/Keating Federal Labor Governments (1982-1996), preparing the economy for competitive status in an 'inevitably' globalising economy became a hegemonic governmental project that has dominated national policy agendas and political-economic

¹¹ The research is based on analysis of policy documents, position papers, and annual reports emanating from key state and local government bureaucracies, private sector and non-government organisations with an established role in the city's governance, and from interviews with key figures in these same bureaucracies and organizations conducted between 2000 and 2002.

¹² Coincidentally, confining analysis to this period significantly reduces the governmental complexity presented by Australia's three tiered political system. Since 1995 the Carr Labor state government has been in power in NSW. Since 1996 the Liberal/National Howard federal government has been in power. Finally, Sydney City Council, whose jurisdiction covers the symbolic centre of 'global Sydney' — the CBD — was for all this period until 2003 been led by the electoral 'Living City' coalition of independent mayor Frank Sartor.

¹³ Peck and Tickell (2002) note the global hegemony of the neo-liberal mode of political rationality, highlighting both its local iterations and its macro-level disciplinary effects.

discourse. It is being realised (unevenly) through the introduction of new modalities of national economic regulation. Macro-economic policy settings were realigned as Australia's heavily protected economy was aggressively liberalised, initially via tariff reduction and financial deregulation (Kelly 1994; Fagan and Webber 1999; Bell 1997). This was accompanied by a mantra of producing a 'globally competitive micro-economic climate', replete with the various narratives of best practice in economic and social regulation common to neo-liberal discursive terrain.

The disciplinary effect of this rationality was established ever-more insistently at a national level during the 1990s. During this decade the discourse of competitive globalisation became pervasive and carried within it certain rationalities and policy forms which have restructured the character of macro- and micro-economic management (Peet 2002). A federal government drive for national efficiency and competitiveness was embodied in the National Competition Policy(NCP)—a major moment of innovation in policy rationality (see Painter 2000). The NCP has been a primary driver of the micro-economic reform agenda and of creating competitive and efficient regulatory, investment, entrepreneurial and social environments to facilitate the integration of state and local economies into global circuits of capital (Capling *et al.* 1998; Farrar and English 1996). It has been instituted across state governments, requiring deregulation of public sector utilities, the introduction of contestable markets into public service provision, and the corporatisation of state bureaucracies.¹⁴ While the NCP project has advanced unevenly, it has certainly created an increasingly entrepreneurial environment across all three tiers of government¹⁵, wherein competitiveness, has been installed as an institutional value and as the rationality behind techniques of corporatisation and marketisation (Capling *et al.* 1998). Across the key state bureaucracies the language of the contract state can be read, and government performance is evaluated against the benchmarks of contributing to economic efficiency, growth and, above all, global competitiveness (Painter M 1997: 159). Reduced federal funding and the associated fiscal squeeze on state governments¹⁶ have encouraged public sector

¹⁴ This has not brought about as extensive an institutional recreation as it did in the UK. Marketisation of the major bureaucracies has to some extent 'reinvented government' (Farrar and English 1996) but privatisation of public services has been more limited and uneven than in the UK.

¹⁵ The Australian political system is organised into three tiers of elected government (federal, state, and local). In relation to urban governance the powers of each are sharply distinct. State government has constitutionally-defined autonomy in relation to all aspects of urban governance. Local government powers and responsibilities are highly limited. Federal government policies regarding housing, migration, major infrastructure etc. habitually impinge on the urban realm yet the Commonwealth has rarely developed consciously urban policies.

¹⁶ As federal government is responsible for raising 75% of total tax revenues, with state and local government raising only about 20% and 4% respectively, the states are in a financially dependent position. About 40% of

rationalisation and inter-state rivalry to attract private capital investment through a variety of entrepreneurial means (Stillwell and Troy 2000) as the geographies of state capacity have undergone reorganisation. The discourse of competition and its attendant narratives and practices have become increasingly dominant considerations in the operations of state governments as they have shifted towards the politics of the 'competition state' (Cerny 1990). This broadly neo-liberal agenda took on self-actualising dimensions in New South Wales (NSW) where its policies and techniques were vigorously pursued by the Liberal Greiner/Fahey state government (1988-1995) (Laffin and Painter 1995).

During this time too, Sydney has gained disproportionately from the uneven gains accruing from the national micro-economic reform agenda and the Sydney-centric growth sectors it has supported (O'Connor *et al.* 2001; Productivity Commission 1999). Crucially, these have been the core drivers of national economic prosperity (Daly and Pritchard 2000) and they are all sectors in which Sydney increasingly 'over-provides' employment¹⁷. (see Table 1). The city has become the major switching point into globalised financial capitalism. But until the 1980s Sydney's long-established primacy was embedded in a national territory, a protected economy and a national system of redistribution built into a Keynesian national economic management program (O'Neill and M^cGuirk 2002). Since the 1980s, this has been substantially dismantled by deregulation, liberalisation and micro-economic reform. In its place a new state-engineered accumulation strategy based on 'global competitiveness' has emerged as a national hegemonic project and this has driven the de- and re-regulation of product, finance and (less so) labour markets. The hegemonic societal paradigm was been spatially reoriented from the space of the nation to that of the global (see Jenson 1990:674). And there has been significant consensus to this strategy from the business and corporate sectors and from organised labour, emerging from acceptance of the capacity of re-regulation to yield increased competitive advantage internationally (O'Neill and M^cGuirk 2002). In this environment, Sydney's primacy in the national space economy has been irrefutably intensified by gains directly attributable to the reterritorialisation of Sydney's imbrication in circuits of global accumulation flows to the extent that the national accumulation strategy can reasonably be claimed as a 'Sydney-centric' strategy (O'Neill and M^cGuirk 2002).

INSERT TABLE 1 ABOUT HERE

their budgets come from Commonwealth grants with more than half of this coming in the form of special purpose of 'tied' grants to fund public housing, infrastructure etc. (Stillwell and Troy 2000).

¹⁷ Most notably these are the finance, property and business service industries where productivity growth in Australia has been strongest (AIG 2000; Gruen and Stevens 2000)

The development planning agendas for Sydney have been fundamentally shaped by consciousness of Australia's changing positioning in the global economy and of Sydney's strategic role in securing that position. State governments since the 1980s have progressively sought to use state-assisted tactical development projects to reposition Sydney and seek its insertion into realigning circuits of capital and rising international financial flows (O'Neill and McGuirk, 2002; McGuirk 2003a). Elite development interests had benefited from the political deployment of special state legislation and site-specific state environmental planning policies to facilitate the development of largescale 'global' consumption, entertainment and infrastructure facilities such as the Sydney Casino and Fox Studios (Searle and Bounds, 1999). In addition, several special purpose state authorities, with private sector representation on their boards, had been created to oversee and plan the redevelopment of specific precincts.¹⁸

So state government has had a crucial role as the 'animateur' (Jones and MacLeod 1999) of governance collaborations but these had characteristically been site-specific and transient. And while there had traditionally been the inevitable field of political influence circulating around government organisations concerning specific legislative and regulatory issues, this had remained somewhat fluid and issue specific and had been marked by the distinctive and contested agendas of differentiated fractions of capital (Jonas 1996:631). Sydney's ascendant market position tended to insure that economic interests had benefited from Sydney's economic buoyancy. No common policy agenda and approach had emerged amongst governance actors across the urban political landscape.¹⁹ Political actors were better defined by their dynamic and disparate nature than by their coalescence into any pre-eminent governance regime (see McGuirk 2003b for an elaboration of this argument). The late 1990s however witnessed a growing institutionalisation of a collaborative state form, involving elaborate institutionalisation of a regime of political representational in which elite business and development interests can claim more systematically selective access to strategic loci of state decision-making, rendering them potent as political forces. This emergent state form is being contingently constructed around a fledgling hegemonic project of producing Sydney as a

¹⁸ The CityWest Development Corporation, for instance, was formed by State Government in 1991 to oversee the redevelopment of the former industrial area of Ultimo-Pyrmont, adjacent to the CBD. Latterly, in 1998, the CWDC was absorbed into the Sydney Harbour Foreshore Authority, a state government agency with overall co-ordinating responsibility for the planning and development of Sydney Harbour. In 1996 the South Sydney Development Corporation was established 'to create a framework for cooperative development [...] and] to act as a facilitator of change rather than a developer (DUAP 1997:84).

¹⁹ Comparison could be drawn with the situation in London where (Tickell and John 2001:8) characterised the political identity of elite actors as 'lost in a tangle of city-based networks, unable to articulate interests'.

‘competitive city’, shaping a suite of ‘competitive city’ planning interventions that are increasingly characteristic of global cities and their role as core regulatory sites in global neo-liberal accumulation (see Keil 2002). And this state form contains a distinctive scalar organisation and politics, directly aligned with the broader hegemonic project of integrating Sydney and hence the national economy competitively into global accumulation circuits. Crucially, peak bodies representing manufacturing and commercial interests and organised labour have been broadly aligned in support of this tactic at both the urban and national scales.

Producing Sydney as the competitive city: an emerging hegemonic project and an emergent state form

Governing Sydney as a spatially strategic site in a broader accumulation strategy of producing competitiveness has gained increasing prominence in the institutional narratives of state and local governments.²⁰ This resounds with a host of discourses and strategies developed by elite development and business lobby groups. Attending to these discourses also reveals a politics of scale in which dominant political and economic actors²¹ are constructing the urban scale as a space of engagement (Cox 1998) with government authorities across multiple scales and are thus instrumental in fashioning an emergent state form. In neo-Gramscian terms, it reveals the discursive articulation of a new conjuncture in which state capacity is realised: one which selectively favours elite capital interests, mobilises their resources to realise state capacity via partnerships, and does so through interventions aligned with their policy preferences at the urban scale.

Establishing Sydney’s importance as a spatially strategic site in the hegemonic state project of producing ‘competitiveness’ is writ large in the discursive strategies of the NSW state bureaucracies. In 1997 the economic planning department, the Department of State and Regional Development (DSRD), developed a new series of promotional initiatives to market NSW internationally.²² In these initiatives Sydney was distinguished for the first time from the remainder of NSW signalling an important discursive shift which brought ‘global Sydney’, commonly conceived as the CBD, inner

²⁰ The prominence of Sydney in federal government discourse is less explicitly enunciated due to the delicate political balance of governing rural and regional NSW as well as the metropolitan area; a point returned to later in the paper.

²¹ Many of whom could decidedly not be construed as being dependent at the local scale (see Cox 1998).

²² Sydney has no metropolitan governance agency. Its political administration at a local level is fragmented across 47 local government areas. Strategic development planning comes under the remit of the NSW state government, within which economic planning falls to the Department of State and Regional Development and urban planning falls to Planning NSW, both of which have responsibility for metropolitan as well as rural and regional NSW.

suburbs and north shore (National Economics 2000), to the fore as a strategic planning priority. As one senior bureaucrat with Planning NSW put it: 'the CBD of Sydney is the driving force of NSW, and NSW is going to maintain its position in Australia and for Australia'. In 1998 the Department began the forceful construction of a discursive framework around Sydney's 'glurbanisation' (Peck and Jessop 1998). It launched the '*First for Business*' marketing identity for the state and for Sydney specifically, producing a series of investment profiles and competitiveness reports which benchmark and promote Sydney as a competitive location for key industry sectors in globally competitive 'new economy' sectors.

Achieving global competitiveness was installed as the core of the Departmental agenda and embedded as the Vision at the heart of the organisation's Strategic Plan (2000-03):

'The environment for growth is one which is becoming increasingly competitive, both nationally and internationally. The Department is focusing its growth efforts on improving the business climate and attracting investments from overseas...' (DSRD 2000b:1).

Demonstrating Sydney's comparative advantage in a global place-competition became the major departmental priority. DSRD's annual production of the *Sydney/NSW Competitiveness Report*²³ provides particularly instructive insight into the discursive articulation of a 'competitive city' governance paradigm wherein achieving rising 'world class' ranking becomes the metric against which to manage performance. This Report baldly positions Sydney as the key to Australia's competitiveness, as a world-class location for global corporations in 'new economy' sectors:

'The NSW economy is well placed to capitalise on the opportunities presented in a mercurial global economic environment. NSW has the most sophisticated and diverse economy in Australia. Its capital, Sydney, is both the nation's only 'global city' and a major financial centre in the Asia Pacific region'(DSRD 2002a).

A certain evangelical and moral tone about the virtue of competition infuses these documents (see Gough 2001):

'Successive Australian governments have recognised that resisting trade liberalisation means continuing to tax domestic businesses, making them less internationally competitive...lowering trade barriers has helped Australia grow at a much faster pace...extra competition has spurred innovation as Australian products seek to improve and differentiate their products in the marketplace ahead of their competitors' (DSRD 2002a)

This narrative resonates with the long-established mantra of the NCP in its reference to a master narrative which counterposes competitiveness with obsolescence; a powerful disciplinary narrative

²³ This report has been produced annually since 1998 as part of the *First for Business* initiative.

with the capacity to structurate the way in which Australia's economic reality and policy options are conceived, and a hegemonic value consensus around this conception is generated. The report's mode of delivery is exhaustive global ranking, drawing on an extensive range of economic performance indicators and metrics of place-based comparative advantage²⁴. This seemingly endless ranking is engaged for disciplinary effect such that the necessity of regulating to produce the globally competitive city is fashioned as a 'regulating fiction' (Robinson 2002: 546) and installed as a hegemonic ideology—a moral imperative.

Crucially, the discursive tactics employed in DSRD resonate with both federal and local governments' targetting of Sydney as a key terrain of governance in the project of national global economic integration. In 1999 DSRD's promotion of Sydney as a key location for finance industry investment was strengthened by a federal government agenda of establishing Australia, via Sydney, as 'the Wall street of the Asia Pacific' (Hockey 1999). Federal government established a Ministry for Financial Services and Regulation and, in Sydney, set up Axiss Australia—a centre for global finance—to enhance Australia's competitive integration into global finance circuits. Axiss works on a cross-sectoral partnership model, functioning as a 'vehicle for high level strategic dialogue between the government and finance sector [...to] develop policies aimed at enhancing Australia's attractiveness to global capital' (Axiss nd). Its establishment signals federal recognition of the flagship status of the Sydney's financial markets in forging competitive glurbanisation (see Cox 2001: 757). This same flagship status is recognised at the local government level in Sydney City Council's²⁵ promotion of Sydney as 'the Clever City'. The *Positioning Sydney as the Clever City* strategy is a brief document which, according to which one high-ranking council officer, 'the whole organisation virtually runs from ..that strategic few pages basically'. It was developed by a cross sectoral research team of Council officers and private sector appointees in the IT and finance industries, and suggests that 'the challenge facing Sydney as we move into the next century is how to maintain this leading edge while establishing a similar dominant position on an increasingly global stage' (City of Sydney 1999, 3). To meet this challenge the strategy recommends the creation of a tax regime which 'must

²⁴ An enormous range of quantitative and qualitative indicators of economic performance is employed ranging across five predictable areas: Economic and Business climate; Trade and Investment; Labour and Ethnic Diversity; Infrastructure and Business Costs; Quality of Life and Cost of Living. Amongst those indicators ranked are the taxation regime, credit ratings, propensity to corruption, political stability, openness of national culture to foreign influence, labour remuneration costs, ethnic diversity, depth of skills, IT infrastructure and property costs, and various 'desireability factors' as a place to live including number of golf courses and numbers of annual days of rain.

²⁵ Sydney City Council is the local government authority with jurisdiction over the CBD, the symbolic core of 'global Sydney'.

not impede Sydney's attractiveness to overseas investment' and that 'constraints on business be set at a level which does not prejudice Sydney's competitiveness' (pg 12). Again it appeals to the disciplinary threat of global obsolescence, arguing that without these policy settings Sydney and thus Australia 'risk wasting enormous opportunities to leap into the top rank of global cities' (pg. 12). On Sydney's development planning, all three levels of government are broadly in consensus on the pursuit of the 'competitive city', articulated as a new hegemony in urban governance; a hegemony capable of casting interests and policy responses not directed towards enhancing Sydney's competitiveness as irrational distraction.

The multi-scaled discursive terrain of this project induces a spatial selectivity privileging Sydney as a key site and scale of governance in the pursuit of state accumulation and regulatory strategies. Moreover, it signifies state mobilisation of a social base of support centred on the business classes as a strategically selected and influential power bloc aligned with the hegemonic project (see MacLeod and Goodwin 1999b). And business élites themselves have been active in exploiting the discursive shift in the political opportunity structure, generating intersecting discourses and narratives around Sydney through which they discursively construct a complementary (and unifying) political subjectivity for themselves as necessary partners in governance; as an integral constituency of an increasingly collaborative state form. They consciously fashion a regime of political representation that would institutionalise their privileged representation and embed their opportunity to fashion policy interventions in their own image (see MacLeod 2001:1151, Jenson 1989:257). This shapes the struggles around the formation of a hegemonic bloc underpinning the competitive city project, will shape subsequent struggles and has distinct ramifications for the institutional form and scalar organisation of the state.

Two examples of this construction of a space of engagement are instructive: those of the Committee for Sydney and the Property Council of Australia, both have which have been dominant in public debate around Sydney's governance and planning future. In 1997, a group of prominent business leaders formed the Committee for Sydney (CS) as a platform for promoting governance policies which would boost Sydney's global city status²⁶. As a conscious discursive interjection, the Committee commissioned a major benchmarking report to measure Sydney's performance and recommend enhanced policy directions and governance structures. Like Sydney City Council's *Clever*

²⁶ Business members for the Committee for Sydney are drawn from the corporate, financial, tourism, IT and education sectors

City document, the starting assumption was that ‘doing nothing is not a choice’ (CS 1998:7) because Sydney’s competitive advantage was argued to be slipping in the absence of pro-active planning, management and boosterism (see Kipfer and Keil 2002 for a similar argument employed in Toronto’s planning vision documents). The report positioned the city as vulnerable to global competition, arguing that ‘Sydney must confront the shift caused by global trends, an increasingly competitive international market and actions by other cities to improve their positions in the world’ (CS 1998: 7) and argued that the city was suffering from governance weaknesses which are ‘conspiring to prevent Sydney from becoming the city we want’ (pg. 31). It goes on to suggest a suite of Sydney-focussed policies to be executed in partnership, inserting as a common sense that ‘the public sector alone is no longer expected to be fully capable of responding to the diverse and overlapping issues involved in ... successful development (CS 1998, 22). The purposeful configuration of this strategic spatial imaginary for Sydney was evident again when the Committee commissioned a research project in 2001 to identify ‘the barriers to Sydney achieving its full potential’. The so-called ‘*Golden Egg*’ project unapologetically positions Sydney as ‘Australia’s greatest assess’ and again seeks Sydney-centric policy settings: ‘in order to maintain its attractiveness to international investment, Sydney needs a specific policy environment that is oriented to the global rather than the domestic environment’ (CS 2001). Their later analysis of Sydney’s air and sea ports—*Sydney’s Gateways to the 21st Century* (Access Economics and Maunsell McIntyre 2000)—similarly argues for Sydney-focused taxation and transport policies without which global obsolescence is assured. Notably, this particular narration of urban change jumps scale with its appeal to federal government policy realms and calls for these to be shaped to the needs of the national economy’s ‘Golden Egg’.

Similar tactics were adopted by the Property Council of Australia (PCA) the powerful peak advocacy body for the property industry²⁷. The PCA has also called for nationally-derived urban policies which recognise the primacy of metropolitan areas for all competitive economic activities (PCA 2000; PCA 2002a and 2002b) in a scale-sensitive argument that ‘urban issues are neither purely local nor purely domestic any longer but central to both national cohesion...and international competitiveness’ (PCA 2002b:vi). Sydney’s contribution to the competitive standing of the national economy receives particular attention in the PCA’s argument for strengthening strategic and

²⁷ The influential position of the PCA might be assessed from the fact that in 2002 they were invited as the only industry body on to a Ministerial Advisory Committee to advise on the reform of the state planning system.

infrastructure planning and governance arrangements for major cities. This is a hegemonising practice which sets a discursive context against which claims for policy attention might be assessed (see Jenson 1993). Global obsolescence is invoked as the inevitable result of failure to mould policy interventions which recognise Sydney as the nation's economy powerhouse:

'Sydney is the nation's economic powerhouse and the gateway to Australia. It is also our best 'brand name'. We all have a strong stake in its ongoing success...Sydney's economic growth underpins growth elsewhere in the state...Sydney is now competing on a global stage for investment, trade and talented workers. In many ways Sydney has been Australia's success story in this transformation...If Sydney is not to fall behind, it needs to consider the challenges it is likely to face over the medium to long term and plan for them' (PCA 2002a: 3)

The PCA also develops a political identity for itself as a political subject with a rightful stake in developing strategic policy settings: 'the property industry has a clear stake in Sydney's future.... Property is a basic business need and property investment is highly dependent on having the right economic fundamentals and government policies in place' (PCA 2002a: 3), and later, 'the industry already makes a huge contribution to state and local government revenue...The Property council is currently developing proposals for a new approach to infrastructure funding which it hopes to finalise and present to government in the near future' (PCA 2002a: 32). Its widely publicised *Recapitalising Australian Cities* goes further, targeting governance itself as 'the most valuable asset a city can have' (2002b:vi) and installing partnership as a new governance norm:

'(there is) too much attention on 'government'. In a world where the inclusion of business and civil society is increasingly the norm, the term 'governance' better defines the processes by which people solve their problems and meet the needs of the city using government as one instrument. Increasing the capacity of public governance participation in relation to cities, requires reforms based on new spatial alliances and partnerships between levels of government, the private sector and the community' (PCA 2002b: xi).

'The establishment of partnerships is possibly the only solution capable of adequately addressing the shift to a more spatially-based paradigm...Any improvement in Australia's governance structures directed at achieving better urban policy outcomes will need to focus on improving existing and establish new vertical and horizontal arrangements' (PCA 2002b: 48)

Here, then, influential factions of capital draw on various scalar territories in their discursive attempts to actualise and secure a form of governance that can serve their particular accumulatory strategies (Cox 1998; Cox and Jonas 1993). The discursive agenda of the Committee for Sydney and the PCA is to shape the universe of political discourse so as to embed both strategic and spatial

selectivity in the state's form and its policy practices²⁸. This selectivity would, in the name of the competitive city hegemonic project, unify key development interests and locate them at the heart of the regime of political representation, marginalising the articulation of other, perhaps oppositional identities and their influence (see Jenson 1993). Further, it sets the discursive context for the mobilisation of a new conjuncture and a reformulation of the integral state.

And crucially neither body seeks a deregulatory agenda but one which targets a particular scalar organisation of strategic intervention which aims to achieve economic regulation in line with 'global imperatives' through the urban; that is, they seek to solve problems of economic and social regulation via organisation at different territorial scales (see Brenner 1998; Cox and Mair, 1991; Jonas 1996). Indeed, echoing the Committee for Sydney, the PCA calls for federal government, which in Australia has traditionally played a very low key urban role²⁹, to cease its 'hands-off approach' and to recognise this key policy realm as crucial to the broader hegemonic project of national competitiveness. They too appeal to politics beyond the urban scale (Cox 1998:1): 'the effectiveness of macro-economic policies on economic development has diminished with globalisation...the nation's prosperity—a key responsibility of the Commonwealth government—is increasingly dependent on the economic development of its cities' (PCA 2002a:x). Here is the construction of a scalar narrative that is not neutral but, indeed, performs important political-economic work in its appeal for a rescaling of state authority and political power (Cox and Mair 1991; Peck 2002). The hegemonic project of competitive urban governance is a multiscale political accomplishment that, in the first instance, must be discursively articulated. The discursive formation surrounding Sydney's governance gives us insight into the practical activation of a strategic and spatial selectivity through which an emergent state conjuncture is being articulated through the hegemonic discursive realm of 'the competitive city': one which facilitates opportunities for political representation for interests aligned around the strategy of producing a globally competitive Sydney, creates the discursive underpinning for particular forms of policy intervention and, finally, shapes particular institutional possibilities for state organisational form: notably that of partnership.

²⁸ This agenda is further visible in the discursive strategies of the NSW Urban Taskforce (UT), a lobby group of elite construction and development interests. The UT has lobbied for the creation of a public-private partnership, to evolve into a corporation, which would coordinate infrastructure planning and procurement via public private partnership. A similar partnership is recommended to manage the release of fringe land for development.

²⁹ See Kipfer and Keil (2002:232) for a discussion of a similar situation of local elites campaigning for policy advantages in a context wherein 'higher' levels of government are not explicitly supportive.

Partnership: the emergent institutional form of competitive city governance

Both state agencies and business élites have progressively deployed a political discourse which positions cross-sectoral partnership³⁰ as the institutional form which will activate competitive city governance. Since the late 1990s, a common partnership narrative has colonised official discourse across the key state bureaucracies, DSRD, Planning NSW and Premiers' which collectively are the major locus of urban governance capacity³¹. The emergence of a discursive space can be traced in which collaborative encounters between these bureaucracies and business élites, previously confined to instances of site-specific political bargaining, are being given discursive cohesion and institutionalised as 'strategic partnerships' within particular programs of action aligned with hegemonic governance aims. The partnership discourse has framed a transformational project which is eroding divisions between state and civil society (see Hastings 1999) and institutionalising the strategic selectivity of an emergent state form.

For instance, the Premiers' Department, which manages the public service and oversees state government's role in all major economic and development matters, has been responsible for driving an agenda of inter-agency collaboration across all state government policy matters across since the mid 1990s. This 'whole-of-government' discourse is interlinked with the discursive mobilisation of broader partnerships external to government which is shaping a new institutional configuration and, significantly, a new symbolic identity for Sydney's governance. In 1998 Premiers' announced an agenda to be emplaced across the public sector that 'collaborative and integrated approaches will be common practice...as will partnerships with the private and community sectors' (PD 1998, 9). Ensuring 'that the government's agenda is led and driven by effective partnerships' (p 4) became a key departmental performance area. The Department's Strategic Projects Division has been specifically charged with 'develop[ing] cooperative relationships and strategic partnerships with key stakeholders' (PD 1999, 23). Partnership has been invoked as an organising ideal and installed as an orthodoxy.

³⁰ Formally constituted and funded partnership has become something of a ubiquitous approach to urban governance in the US and UK, particularly regarding urban regeneration, as the state has withdrawn from urban service and infrastructure provision (Squires 1996). However, in NSW the partnership mechanism is largely emergent and to date they have not been consistently connected to funding sources.

³¹ Planning NSW), the Department of State and Regional Development and the Premiers' Department are collectively responsible for strategic management of Sydney's planning and economic development. Local government has no constitutional recognition and highly limited powers and responsibilities and no local government apparatus exists at a metropolitan scale. Federal government has, traditionally, played a very low key role in urban governance, though of course key areas of federal policy (e.g. immigration policy, public housing funding etc.) have significant urban ramifications.

DSRD recently underwent extensive internal reorganisation ‘as a result of a greater realisation that the relationship between business and government departments must increasingly be a partnership of collaboration’ (DSRD 1998, 7). This signalled a major change towards a ‘market approach’ and the need to ‘increase emphasis on strategic planning...and to closely liaise with the business community across a broad front to ensure better understanding of the commercial imperatives for business’ (p21). The following year the Department released its major position statement ‘*Working Together for Growth*’ and ran a high level Business Forum aimed ‘to reinforce the government’s view that government and the business sectors’ working together is the more effective way of achieving (state) goals’ (DSRD 1999, 28). By the 2000-2003 Strategic Plan, DSRD’s major strategic purpose was ‘to act as an advocate for business at both NSW and Commonwealth Government levels by providing a clear interface for business with government.... (DSRD 2000b: 7) and ‘positive working relationship with business allies (and) industry associations’ (7) had become a key performance indicator. Furthermore Planning NSW³², the metropolitan and regional planning agency, flagged a move in 1998 towards ‘working in partnership for strategic outcomes’, with the Director General setting the priority that ‘(the department) must concentrate on strategic solutions to major issues...to do this we will strengthen our partnership with local government, community groups, developer interests and environmental groups’ (DUAP 1998:3). By 2000, ‘partnering for success’ had become one of DUAP’s four key performance areas (DUAP 2000a: 4).

Crucially, the partnership discourse frames and enables the contingent practice of governance. In the realm of urban economic development, the discursive context was set for a reconstitution of political representation. Here, it has enabled the political construction of a series of state-orchestrated collaborations with strategic non-state actors in the form of advisory forums, taskforces and councils which incorporate business élites and, significantly, enhancing the formation of a tentative unity of interest across élite capital (see Jewson and McGregor 1997:9). These are chiefly concerned with economic growth in globally competitive sectors—in the predominantly Sydney-focussed finance and IT&T industries in particular—and with the ‘global imperative’ of providing competitive institutional and regulatory processes. This selectivity constructs a new series of institutional relays through which these interests can exert influence and bargain for their policy preferences (see Brenner and Theodore 2002a:369).

³² Planning NSW’s title until 2002 was the Department of Urban and Regional Affairs.

INSERT TABLE 2 ABOUT HERE

And the partnership discourse has further framed the stabilisation of new governance practices. For instance, the planning and procurement of infrastructure is in the course of being radically rearticulated in the light of an infrastructural deficit that is commonly constructed as endangering Sydney's and hence Australia's global competitiveness (Access Economics and Maunsell McIntyre 2000; NSW Urban Taskforce 2002). In 1999 the Premiers' Department released a framework for driving partnerships with the private sector in Privately Funded Projects (PFPs) for the development of strategic infrastructure (PD 2001). Simultaneously an Infrastructure Coordination Unit was established within the Department to drive PFPs, promising 'close collaboration with major infrastructure stakeholders'(www.premiers.nsw.gov.au/about/icu/). And the Premier himself now chairs a NSW Infrastructure Council, established in 2002 to promote and advise the state government on major privately financed projects across NSW. It 'provides a collaborative forum in which Government and the private sector can improve their mutual understanding and address common strategic infrastructure needs' and is described as a 'peak forum for face to face discussions between senior government ministers, private sector leaders and union representatives'([www.http://www.premiers.nsw.gov.au/www/council/asp](http://www.premiers.nsw.gov.au/www/council/asp)). The formation of such an advisory council, and its location in the Premiers' Department, was an explicit recommendation of the Committee for Sydney's response to the government's greenpaper proposing PFPs. Partnership is being granted authoritative status as the normative model of governance and as an institutional form aimed to animate collaborations with strategic political and economic actors. But, crucially, this is a practical accomplishment in which partnership is discursively articulated as part of an emergent (and contingent) state conjuncture which institutionalises state strategic selectivity, activating the 'competitive city' hegemonic project and realising state capacity³³..

COUNTERING THE COMPETITIVE CITY: COUNTER-HEGEMONIC CLAIM AND CURRENTS

In arguing for the putative actualisation of a new state conjuncture, it is crucial not to understand this as being perfectly achieved or the hegemonic project as uncontested. Its articulation is an on-going process, and one around which Gramscian insights suggests there will be continual struggle and challenge as multiple registers of social discourses intersect and collide (Jenson 1989). So the questions must be posed of what is the evidence of actually

³³ Partnership has recently also been installed as the delivery mechanism for federal government's new Regional Development Strategy (Anderson and McDonald 2000:1).

existing struggles around Sydney and are there counter-hegemonic pulses to be identified? At least three strands of discursive counter claims can be identified and, significantly, they are multi-scalar. Whether they might constitute a broader counter-hegemonic movement or be subsumed as part of the political compromises inherent to hegemonising practices remains an open question.

First, the competitive city governance paradigm is based on a rescaled spatial imaginary for Sydney in which the city is almost denationalised—disembedded from its territorialised context within regional and national accumulatory and distributive flows and reterritorialised within globalised flows (O'Neill and McGuirk 2003; and see Keil 2002). Employing this discursive strategy however triggers a forceful discursive backlash from regional areas whose scales of dependency are differently inscribed (see Jonas 1996). In public debate, Sydney's prosperity is frequently cast as arising from a national accumulation strategy of competitive globalisation which has simultaneously contributed to economic decline in rural and regional Australia and Sydney characterised as home to 'latte-sipping silvertails' who live parasitically off the rural 'battlers' (Pritchard and McManus 2000). There has been an electoral backlash in which rural and regional constituents have shown their willingness to take revenge on state governments thought to be ignoring 'the regions' (for detail see O'Neill and McGuirk 2003). Political sensitivity stalks the hegemonic bloc's representation of 'Sydney as national powerhouse' inducing a political imperative both to represent the national accumulation strategy—essentially a Sydney-centric strategy—as crucial to national economic prosperity and to resist explicitly Sydney-oriented policy interventions³⁴. The same sensitivity was visible too when the Committee for Sydney caused outrage by labelling the beneficiaries of inter-state horizontal fiscal equalisation policy³⁵ 'beggar states' (AFR, 2.02.01:1) that were holding Sydney back³⁶. The vitriolic response from the regions brought an immediate rush of politicians seeking to disassociate themselves and their governments from that view. For state and federal governments, then, Sydney is the strategy that cannot be named (see O'Neill and McGuirk 2003 for an elaboration of this argument).

³⁴ Hence despite a business lobby for Axiss Australia—the centre for global finance—to be identified with Sydney, the Minister insisted that it was symbolically named and marketed as Australia's finance centre

³⁵ Horizontal fiscal equalisation policy aims at inter-state redistribution of public revenues on an equity basis so as to regularise citizens' access to public service levels across the nation. Thus NSW and Victoria, the largest and most prosperous state economies, cross-subsidise the other states to a level that both state governments and the business lobby view as excessive (NSW Treasury 2002).

³⁶ Specifically the Committee argued that 'if Sydney is hobbled, Australia is hobbled; there is no domestic advantage in only adopting policies and programs to equalise everything as the lack of international relevance will send even more of our industries off-shore' (Daily Telegraph, 21.03.01).

A second strand countering the competitive city hegemony can be read within the institutional discourses of Planning NSW. Policy itself is a contested terrain and there is no reason why, given the contradictory role of the state, urban planning strategies and discourses should necessarily be compatible with those of economic planning (see Peck 2001), even within the context of a hegemonic project. Within Planning NSW, while widespread discussion of the need for ‘more efficient and effective planning’ in a ‘simplified’, ‘streamlined’ and ‘responsive’ (*ergo* a more deregulated and competitive) planning system resonates through the current *Plan First* review of NSW’s planning system, this parallels a policy agenda that is discursively centred around planning that prioritises social, environmental and economic sustainability over competitiveness. Furthermore, the strategic partnership narrative is embedded in a discourse of broader democratic ‘stake holder participation’ rather than in the dominant discourse of global competition. There is substantive emphasis on generating government-community partnership to generate a collaborative basis for plan making, potentially opening democratic opportunities for the political representation of community stakeholders as consensual partners and constituents of a wider societal discourse community committed to a non-hegemonic vision of sustainable urban development.

However, we should be cautious of categorising this as a counter-hegemonic current. The win-win scenario of the symbiosis of economic, environmental and social goals in urban planning can be read as ‘ecological modernisation’, a component of a competitive city modality of regulation (Kipfer and Keil 2002:240). While ‘the sustainable city’ discourse is replete with the vocabulary of urban consolidation, maintenance of environmental diversity, inner city ‘greening’ projects, community enrichment through new urbanism and urban liveability, its social and redistributive dimensions are poorly specified (Keil 2002; Ley 1996). Quality of life—a core benchmark of this triple-bottom-line discourse—is instrumentalised as a facet of urban competitiveness; a core facet of Planning NSW’s vision for Sydney as ‘a world class city’ in which ‘more and more we will measure Sydney’s livability on a world scale’ (www.planning.nsw.gov.au). In the DSRD competitiveness reports for instance, the quality of life benchmark is converted into a factor of competitive advantage and then mobilised within business lobby discourse as a ‘magnet for talent’ attracting ‘global élite’ service workers (PCA 2002a). The counter-hegemonic potential of the ‘sustainable city’ discourse, in its triple-bottom-line iteration, may be disrupted by being already framed by and articulated within the ideological hegemony of the competitive city project (see Peet 2002). Stakeholder partnership here may be both an effective discursive device and, practically, a hegemonising practice, instituting procedural

correctness and leveraging a workable consensus around a contentious governance process and policy realm (see Hastings 1999 and Femia 1981)

One final counter-hegemonic current is evident in the increasingly strident claims of divergent activist groups countering the developmentalist vision of the competitive city and mobilising rising public expectations about policy participation as a guarantor of state legitimacy (see Purcell 2002). This is, in part, engendered by the partnership narrative itself and the expansive notion of the public sphere it encapsulates. It marks a departure from recent development politics in 'global Sydney'. These have been characterised by high profile public resistance to controversial projects³⁷ but, thusfar, have remained fragmented rather than translating into a broader urban reform consciousness or anti-growth political collectivity (see Keil 2002)³⁸. Nonetheless a broader urban imaginary is emerging, its unity forged from perceived over-development of Sydney due to global city growth pressures. A series of counter claims is coalescing most particularly around urban consolidation policy which has long been championed by state governments primarily as a means of producing the most efficient, cost-effective and competitive use of public infrastructure. Recently, the intensified land use associated with consolidation have met a growing tide of trenchant resistance. The anti-consolidation group, Save-our-Suburbs, raised the support to run 18 candidates in the 2003 NSW state elections and the Protectors of Public Lands (PPL) has emerged from a coalition of groups formed to combat public land sell-offs for development³⁹. These groups mount non-hegemonic counter claims, infused with a discourse of protecting Sydney's urban heritage and character, and they have the potential to unify multiple fragmented struggles around development into a broader debate about the vision of urban life regulated through competitive city governance. Yet they are currently limited in the reform politics they envisage (see Keil 2002; McGovern 2001). They oppose the insufficient regulation of the competitive city project rather than the substance and growth politics of the project itself. Indeed, their arguments intersect with those of the development

³⁷ Notably examples include resistance to the Darling Harbour Monorail, the 'Toaster' apartment development at East Circular Quay, and unfiltered stacks on the M5 extension and Cross City Tunnel.

³⁸ This is the case despite Sydney's older tradition of radical environmental politics that revolved around the Builders' Labourers Federation, a militant construction workers' union, which oined forces with various residents', environmental and feminist groups to emplace 'Green Bans' preventing their members' participation on development proposals which compromised heritage buildings, bush land, low income inner city housing, or working class communities. One contemporary example of a radical agenda is that of the Total Environment Centre, a coalition of environmental groups, which aims to fashion 'a competing vision for Sydney'—a 'greenprint' for an alternative development pathway. This agenda is primarily confined to the bio-physical rather than social environment.

³⁹ PPL is lobbying for a public lands management strategy and operates as an umbrella group giving support across the city and often across class barriers in local conflicts.

industry demanding the release of more fringe land to accommodate Sydney's 'global city' boom (see NSW Urban Taskforce 2002). Their dissensus is conveyed in situated practical rather than ideological terms (see Femia 1981:222). As such they operate within the ideological terrain of the hegemonic project, representing a discursive contestation but essentially confined within its discursive terms and limits (see Peet 2002; Jenson 1989). Such groups have the potential to assert part of their agenda onto the hegemonic discourse (see Keil 1998:639). They certainly form a part of the on-going struggles and challenges that reverberate through the accomplishment of the hegemonic project, modifying it in certain respects (see Williams 1973:8). However, whilst they may have the potential to articulate a new political interest group of strategic, broad-based opposition which might counter the hegemonic claims to the competitive city, the emergence of a counter-hegemonic vision and a requisite transformation of local political culture remains incipient (see McGovern 2001).

This series of discursive counter-claims will continue to mould the actually existing practice of Sydney's governance as the competitive city. They undoubtedly shape the particular conjuncture of state institutional and scalar organisation, the mode of intervention and regime of political representation accomplished through the competitive city hegemonic project. As an institutional form, partnership at once entrenches strategic selectivity and modifies the mode of political decision-making towards 'stake holder democracy', rebalancing the political opportunity structure. The spatial selectivity of the urban both privileges Sydney but must be politically balanced against regional redistributive claims. Pro-market re-regulation must be tempered by demands for management of Sydney's growth pressures. This suggests the politics of compromise if not of consensus (Jessop 1983). This brief consideration of the multiscalar counter-claims reaffirms both the hegemonic project and its related conjunctural state form as contingently realised; as a practical accomplishment.

CONCLUSION

The key contributions of a neo-Gramscian regulation approach to theorising urban governance arise, first, from the constructivist and relational perspectives that are central to the notion of the integral state and, second, from the understanding of the state as a strategically selective institutional ensemble. The notion that state power—governance and regulatory capacity—is a practical accomplishment requiring the articulation of conjunctures, in turn mobilised and maintained through hegemonic projects, is central here. This non-essentialist vision focuses analysis on the

contingent practices through which the particular institutional forms, regimes of representation and interventions that constitute a conjunctural state form are activated. Applying this vision to urban governance offers several productive theoretical advances. It denies any possible fetishisation of the urban, focusing analysis on its political construction as an (increasingly) strategic scale and stake of governance within the emergent ‘new grammar of space’ (Scott 2001) of global neo-liberal capitalism. Relatedly, it enables a concrete consideration of the contingent translation of the tendencies of the capitalist state towards securing capitalist reproductions into actual historically and geographically particularised practice. So rather than contemporary urban governance being understood as, in any sense, derivative of a broader determinative capitalist logic—its institutions, practices and interventions produced as a local by-product of a omnipresent neo-liberal rationality (see Peck and Tickell 2002)—it must be understood as a contingently realised political construction that, in turn, can be constitutive of more spatially extensive contingent articulations of capitalist social relations. It comes to be viewed as an institutional arena in and through which a broader neo-liberal political-economy is evolving (Brenner and Theodore 2002b). The neo-Gramscian approach enables, then, a more genuine ontological commitment to contingency; one that runs deeper than acknowledgement of the particularity of place but, instead, accommodates the ambiguities, complexities and uncertainties of actually existing urban governance (including its regulatory failures [see Jessop 1998b]). It provides a convincing theoretical framework for explaining how abstract tendency is translated into actual practice, how urban governance and its attendant state form is produced, and how this production is located within and connected to a multiscale network of political-economic relations. And the neo-Gramscian attention to discourse as an articulatory practice is a crucial feature here. It highlights the primacy of actually existing politics, not just as a local expression of structurally-derived power struggles, but as the very terrain on and through which a conjunctural state conjuncture form can be constructed and its material practices developed (see Laclau and Mouffe 1985:36). It gives us insight into the formative role of hegemonic projects, and the material hegemonising practices through which they are built, in the practical articulation of the institutions, practices and interventions of urban governance. And finally, it reveals how the universe of political discourse is fashioned to promote a provisional consensual, if continually contested, adherence to the project.

Sydney’s urban governance can be explained via a neo-Gramscian analysis as the discursive materialisation, or articulation, of a state form across multiple scales. And this is in light of a hegemonic project; that of pursuing a national accumulation strategy through the construction of a

competitive urban economy. Here it is possible to trace how the urban is politically constructed as a key site, within the complex multiscale ensemble of institutional sites that is the state, and as a key site in regulating the national accumulation strategy and in supplying the conditions for growth in the Australian economy and its competitive positioning in the space-economy of neo-liberal globalisation. In turn, the competitive city hegemonic project can be traced as a discursive formation more favourable to the strategic incorporation of particular interests (business elites), the dissemination of particular modes of intervention (market-supporting) and the creation of certain institutional mechanisms (strategic partnerships) than others (see Jenson 1993). And we can tentatively trace how this discursive hegemony affects the formation and recognition of counter-hegemonic political identities and their ability to disrupt or moderate the hegemonic project. By exploring how Sydney's governance is activated through a contingent and scaled state form, the neo-Grainscan approach connects theoretically informed explanation of the practical accomplishment of governance to its broader politico-economic embeddedness and to the territoriality of the state. This relational and constructivist prism deepens and extends both our concrete and theoretical understanding of Sydney's governance and provides the groundwork for developing tentative pathways through which counter-hegemonic interventions can be imagined, constructed across multiple scales and realised.

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TABLE 1

Sydney's national economic dominance	%
% Australian GDP	23
% Gross state product (NSW)	70
% NSW employment	66
% NSW population	63
% Australian regional head quarters	65
% Top 100 corporations in Australia	60
% Domestic and foreign banks	79
% Asia Pacific finance and insurance regional offices	80
% Asia Pacific call centers	44
% Headquarters of Australia's top ICT companies	70
% Australia's international air passenger traffic	49
% Australia's international business visitors	60
% NSW employment based in Sydney	
Finance and insurance	84
Property and Business services	79
Communications services	79
Cultural and recreational services	75
Source: DSRD Sydney Investment Guide (2002b) and DEWR (2002)	

TABLE 2 Cross-sectoral collaboration on economic development planning

1986-7	• State Development Council: to develop policy and identify opportunities for state development (government and business membership)
1990-1	• Economic Development Committee of NSW Cabinet: advisory committee on state

	economic development comprised mainly of key senior business representatives
1991-2	<ul style="list-style-type: none"> • Sydney Financial Services Taskforce: to investigate policy settings to promote Sydney's role as a global financial market (government and business membership)
1992-3	<ul style="list-style-type: none"> • Office of Economic Development: to facilitate large scale, strategic economic development projects (Premier's Department)
1995-6	<ul style="list-style-type: none"> • Olympic Business Roundtable: to maximize business opportunities created by hosting the 2000 Olympics, including representatives from business and industry associations, the union movement, Sydney City Council (DSRD) • Partnership Program with Industry Associations (DSRD) • Information Industry Advisory Board: grouping of relevant government agencies and key business players to provide advice to state government on the development of the information industry sector (DSRD) • NSW Trade and Investment: facility providing comprehensive business information supported by professional advisors from DSRD, Austrade (Federal Government), NSW Chamber of Manufactures, NSW Chamber of Commerce (DSRD)
1997	<ul style="list-style-type: none"> • Strategic Projects Division: to provide leadership, liaison and coordination across government agencies and spheres to ensure government's strategic economic and social objectives are met (Premier's Department) • Investment 2000: international marketing program designed to attract foreign investment including DSRD, Federal government and major Corporative representatives (DSRD) • Innovation Council: to advise government on the policies and programs needed to assist NSW business to be globally competitive and to capitalise on its intellectual property (DSRD)
1999	<ul style="list-style-type: none"> • Premiers' Business Forum: forum to highlight government and business cooperation and ensure state business programs are informed by business community views forum, including NSW Premier, senior state government ministers, and 130 senior business representatives (DSRD) • Infrastructure Coordination Unit: to manage issues arising from the relationship between the public and private sectors in infrastructure provision. Production of guidelines for private sector participation in public infrastructure provision (Premier's Department)
2000	<ul style="list-style-type: none"> • East Asia Business Council: forum of state government, business and community representatives to advise government about the challenges and opportunities for new trade and investment in East Asia (DSRD) • Investment 2000: Joint and cooperative endeavour between DSRD, Federal government and major Corporations : an international marketing program designed to attract foreign investment (DSRD, 1997).
2001	<ul style="list-style-type: none"> • Sustainability Advisory Council: Peak Advisory forum on issues of sustainable building design and construction. Industry, government and NGO representation (DUAP)
2001	<ul style="list-style-type: none"> • NSW Infrastructure Council: body designed to promote and advise the State Government on major privately financed projects across NSW, with membership of senior Government Ministers and senior executives from the private sector construction, engineering, banking and other related industries body

Source: Annual Reports of DSRD, Premier's Dept and Planning NSW