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Domesticating neo-liberalism: Everyday lives and the geographies of post-socialist transformations

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Abstract

This paper examines the ways in which neo-liberalism is both constructed and made 'more tolerable' through everyday practices and livelihoods in post-socialist cities. It argues that existing conceptualisations of neo-liberalism centre too fully on the role of powerful global forces and institutions in constructing marketisation processes, and consequently neglect the ways in which everyday lives are embroiled in the formation of neo-liberal worlds. Through an exploration of the experience of neo-liberalism in the Slovak Republic and drawing upon research with households in one large housing estate in Bratislava, the paper examines the ways in which everyday lives construct neo-liberal possibilities in the attempt to make them 'more tolerable'. In particular, the paper explores the postponement of the future by some members of the middle-aged generation failing to reap the benefits of economic reform, the role of economic practices 'outside' of market-based capitalist relations in constructing engagements with the formal market, and the role of domestic food production in sustaining household networks and social reproduction for some of the most marginal households in the context of low-wage employment and state benefit reductions.
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In February 2004, three months before it was due to join the European Union, the Slovak government mobilised 20,000 extra police and 1000 soldiers to quell a revolt by members of the Roma community of East Slovakia. The revolt focused primarily on the looting of basic provisions from food stores and was an explicit reaction to a dramatic scaling back of the social welfare system (Burgermeister, 2004). As the then Minister for Labour, the Family and Social Affairs and architect of a radical overhaul of the social assistance system, L'udovít Kaník, was quoted as saying 'Cuts in benefits are needed to end a culture of dependence among Roma' (Burgermeister, 2004). This series of events emerged out of a much larger scale state initiative, begun in 1998 with the election of a centre-right coalition government, to dramatically overhaul the nature of political and economic life, modelled strongly on neo-liberal principles. The events represented, then, part of a popular reaction against neo-liberalism, which culminated in the election – after eight years of neo-liberal policies – of a more centre-left coalition government in June 2006.

In this paper we explore how this particular set of engagements with neo-liberalism raise wider issues concerning how we understand 'the neo-liberal'. In particular we focus on two issues. The first is an attempt to understand what we might call 'the project of neo-liberalism' – not only as manifest in the particular case of Slovakia but how it can be linked to developing a geographical political economy of post-socialism. The paper develops, then, a critical appraisal of the geographies of social transformation in the part of the world that used to be called 'communist'. Indeed, it might be said that the transition from communism to capitalism – as some saw it – continues to represent one of the boldest social, economic and political experiments with neo-liberal ideas in the world today

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(Smith and Pickles, 1998). The privileging of the market and the 'commodification of everything' continue apace and are part of a broader ascendancy of neo-liberalism globally.

The second issue is a concern for explaining and understanding the social dislocations, reconfigurations of power and social exclusions that have occurred after the collapse of communist power in East-Central Europe (ECE). This involves the emergence of high levels of poverty and social inequality, or what Pickles (2004) has called 'the violence of the economy' and Žižek (2006) has called 'systemic violence', configured by, but not reducible to, the 'project of neo-liberalism'.

The paper brings these two themes together and asks what current discourses concerning neo-liberalism miss, occlude and take too much for granted (see also Barnett, 2005; Castree, 2006; Leitner et al., 2007). While neo-liberalism has become one of the central motifs for thinking about the changing nature of the global political economy over the past 15–20 years, there remain several fundamental problems associated with the ways in which neo-liberalism is thought. None of this is to diminish the very real and negative consequences – for the poor, for the socially excluded, for the marginalised – of the neo-liberal projects adopted and struggled over around the world. But this paper raises some questions concerning the assumed hegemonic power of a 'neo-liberalism out-there', which fails to consider the constitutive role of everyday life and everyday practices in the construction of, and 'making do' within, neo-liberal worlds. Neo-liberalism cannot only be seen as a project constructed through the powerful institutions of the global economy and national political elites. Neo-liberalism is that, but it is also more. Consequently, we argue that it is also necessary to understand how neo-liberalism has been constituted through everyday lives and practices (see *inter alia*; Bridger and Pine, 1998; Piirainen, 1997; Ledeneva, 1998; Clarke, 2002; Humphrey, 2002; Pickles, 2002; Smith, 2002, 2007; Caldwell, 2004; Pavlovskaya, 2004; Stenning, 2005; Round, 2006; Smith and Stenning, 2006). There is a need, we argue, for a destabilised reading of the neo-liberal and an understanding of the antagonistic household and community relations involved in the production of neo-liberal worlds (see also Barnett, 2005; Leitner et al., 2007).

We explore this argument through the specific lens of one neo-liberal 'post-socialist' experience, that of the Slovak Republic. In particular, we draw upon research exploring the role of household livelihood strategies (literally, examining how people make ends meet) in the context of increasing levels of urban social exclusion. This research has been focused on 350 households in two of the largest socialist era, mass-build housing estates in the relatively 'high cost', urban areas of Bratislava, Slovakia (Petržalka) and Kraków, Poland (Nowa Huta). In this paper we take one part of this research – that focused on Petržalka – where we have undertaken a questionnaire survey of 150 households in three neighbourhoods; follow-up, in-depth interviews with 30 selected households; ethnographic and participant observation work in community spaces and organisations; and a number of interviews with community organisations and governmental institutions to explore the experience of urban social exclusion and neo-liberalisation.

Petržalka is one of the largest post-war, mass-build housing estates constructed in Slovakia (Figs. 1 and 2). It was built primarily during the 1970s and 1980s on the south bank of the river Danube, next to the village of Petržalka, as a dormitory community for the expanding workforce of the wider city of Bratislava. Home to 130,000 people, if it was an independent urban entity, Petržalka would be the third largest city in Slovakia. Like most central European state socialist era housing estates, Petržalka is socially mixed, with working class and professional middle class households living alongside each other, although there is some evidence that this is changing as the professional middle classes are more able to relocate to 'more desirable' areas of the city.

The paper is organised as follows. The following section explores the conceptual framework of domesticating neo-liberalism, within the context of wider debates concerning the nature and form of neo-liberalism. This is followed by a summary of the central dimensions of the 'neo-liberal revolution' in Slovakia, which provides our empirical focus in the paper. We use the Slovak case here to illustrate the ways in which neo-liberalism has dramatically transformed the political economy of social welfare, labour market reform and the livelihoods of households. But we also show how this 'power of neo-liberalism' must be situated alongside – borrowing from Derrida – its 'constitutive outsides' and how everyday life makes possible and bearable – how it domesticates – the neo-liberal agenda. The paper then examines three main issues concerning how these 'constitutive outsides' work in articulation with neo-liberalism: the political constitution of the state and how political support for the neo-liberal state is tempered by a 'postponement of the future' by middle and older-aged generations; the role of informal employment and social networks; and the dynamics of domestic food production. In these sections of the paper we highlight the ways in which neo-liberalism is, in part, constituted through these articulations with processes outside of, but always connected with, the neo-liberal and the expansion of market relations.

1. Theorising neo-liberalism

In order to explore the importance of the everyday constructions of neo-liberal worlds we take inspiration from the work of the anthropologist Creed (1998). Creed's argument concerning the reproduction and dissemination of communism was developed from grounded, ethnographic research in one Bulgarian village. From that context, Creed developed a critical argument concerning how state socialism – as a hegemonic project – could only be understood with the context of its domestication. Creed emphasised how state socialism was always negotiated and constituted

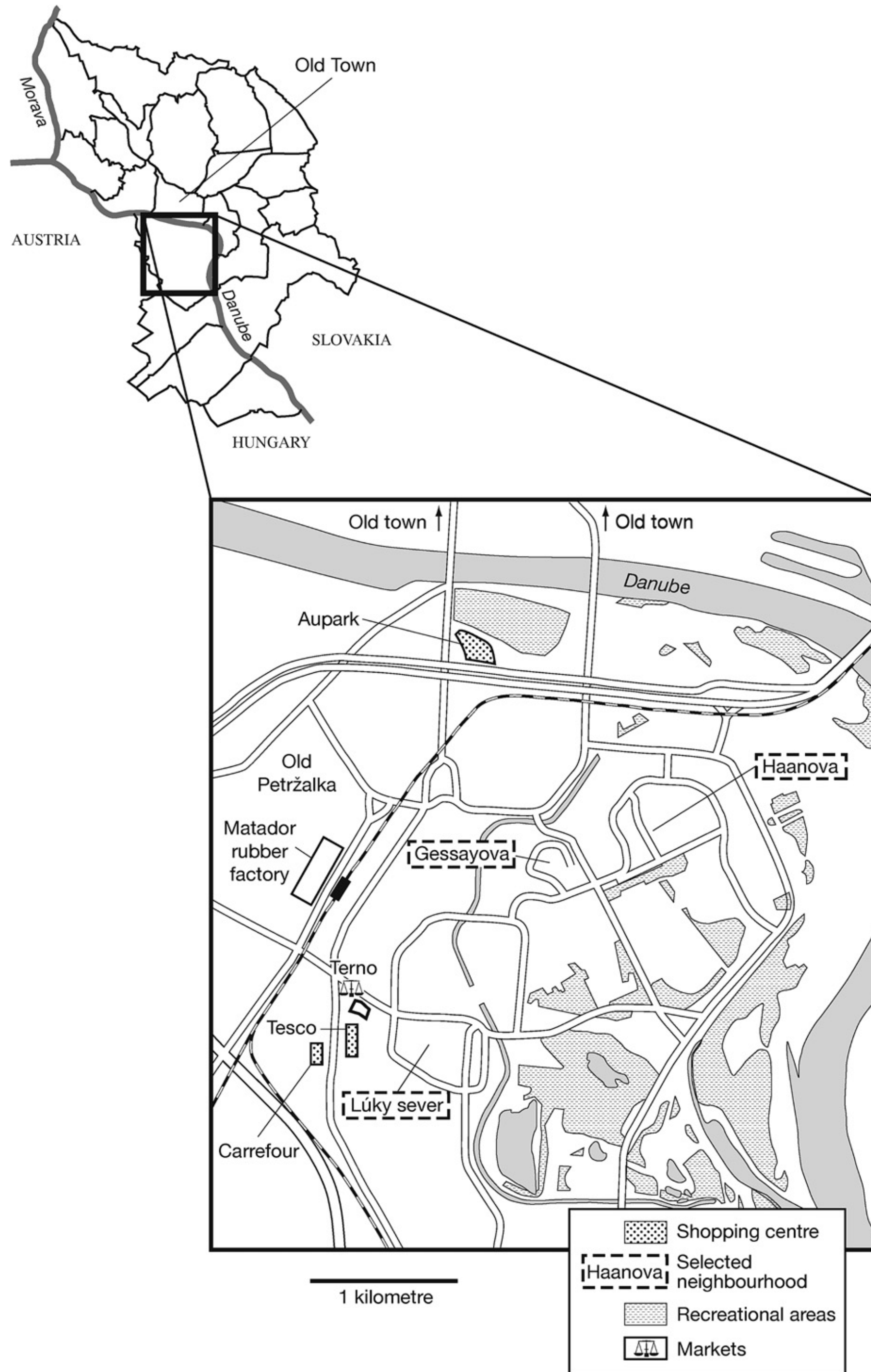

Fig. 1. Map of Petržalka.

through the practices of everyday life and the local struggles that this entailed.

For Creed, domestication involves translating 'big' political-economic projects that are not general and simply 'out there' and all-powerful (although they are variously all of those). Rather, such projects are always already particular domestic and local phenomenon – always mediated through everyday practice, always made tolerable as best one can, through the lives of ordinary people. For example, Creed (1998, p. 3) argues that

> 'By simply doing what they could to improve their difficult circumstances, without any grand design of resistance, villagers forced concessions from central planners and administrators that eventually transformed an oppressive, intrusive system into a tolerable one. In short, through their mundane actions villagers domesticated the socialist revolution'.

Creed saw 'domestication… not [as] an event; it was an ongoing process' (Creed, 1998, p. 3) and in doing so 'The

Fig. 2. View of Petržalka from the old town of Bratislava across the Danube River.

point… is to break through binary discourse of "good" and "bad" to suggest that rural socialism in Bulgaria was both extremely difficult and increasingly tolerable' (Creed, 1998, p. 4).

Thinking about neo-liberalism through this lens of domestication suggests that we need to look at the everyday construction of neo-liberalism and the 'turn to the market'. Understanding how neo-liberalism functions through its articulation with the range of economic practices adapted by people both within and beyond the market becomes central (Pickles, 2002; Smith and Stenning, 2006). This more decentered reading seeks to understand how neo-liberalism has been made, how it has been practised and, even within the context of powerful political and policy discourses, how the everyday lives of people construct neo-liberal forms and attempt to make them, in the words of Creed, and not always successfully, 'increasingly tolerable'. We should not expect *a priori* resistance to and protest against neo-liberalism, although there have been clear cases of this in ECE, from the Prague protests against the World Bank and International Monetary Fund meetings in 2000 to the 2004 Roma riots in Slovakia, to the electoral rejection of neo-liberal states in some parts of ECE (notably, most recently, in Slovakia and in Poland). Understanding the geographies of neo-liberalism therefore requires that we look to both the political-economic construction through state projects of expansionary and powerful market forms, which attempt to commodify all in their image (from state welfare, to education, to everyday transactions), and to the domesticated, everyday constructions of neo-liberal practice.

This argument differs from many existing accounts in current circulation and here we briefly outline these frameworks as a way of situating our own claims. In his recent powerful and very critical account of global neo-liberalism, Harvey has argued that

> 'Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade' (Harvey, 2005, p. 2)

With roots traceable back to the early 20th century thinking of the Austrian liberal political economists (Hayek, 1994; von Mises, 1996) and debates over the possibilities for state intervention in economic life (Lange, 1994; Friedman and Friedman, 1990), neo-liberalism has been seen as a political economy that has been institutionalised through a wide-ranging, global network of political intervention (US and UK government policy, among others), and a global network of think tanks, including the Heritage and Cato Foundation in the USA, the Adam Smith Institute and many others, not least those emerging in ECE (see also Peck and Tickell, 2002, 2007; Tickell and Peck, 2003).

As such, the political economy that neo-liberalism has become centres on the claims that the market is the only effective way to organise human existence; that markets are seen to lead to an equalisation of social outcomes as wealth famously 'trickles down' from rich to poor; that, in its monetarist form, the state should do all it can to reduce public expenditure; that state deregulation of the economy and an agenda of privatisation should be vigorously pursued; and that there is what McCarthy (2006) has called an individualising 'ontology of neo-liberalism' of individual responsibility for health, welfare and subsistence. Neo-liberalism is, then, an economic project but it is also a moral one – a project of individualising ethics. It is what Mitchell (2006) has called a process of creating neo-liberal subjects and citizens.

A variety of approaches have developed to theorise the neo-liberal project, which provide a context for our argument about the importance of neo-liberalism's domestication. The first way in which neo-liberalism has been invoked is by seeing it as an all-powerful global and hegemonic project – the direct outcome of the policies of global economic institutions such as the International Monetary Fund, the World Bank and the World Trade Organisation, aligned to wider imperial power in the post-Cold War world of the USA. Harvey (2005) for example has reminded us about the all-embracing power of neo-liberal ideas and the ways in which they constitute the world in which we live in a thoroughly penetrative way. Harvey argues that 'Neoliberalism has… become hegemonic as a mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in and understand the world' (Harvey, 2005, p. 3; see also Gowan, 1995). While there is much to this powerful critique of market utopias and their alignment to the imperial interests of global powers, there is a danger that this approach assumes too much. It too easily locates neo-liberalism as a project 'out there' – one that is spread around the world by global institutions and that fails to consider how neo-liberal power is also constituted through everyday practices.

A second approach, preferring to see neo-liberalism as a geographically differentiated process (invariably called "neo-liberalisation" (Peck and Tickell, 2002)) and as locally complex, has also emerged. Neo-liberalism, it is argued, 'touches' down in different ways in different places and, drawing upon Foucault's notions of governmentality transforms 'the micro-contexts of everyday routines' (Barnett, 2005, p. 9; see also Larner, 2003; Mitchell, 2006). In this reading, neo-liberalisation involves processes in which market rules become constituted in ever increasing spheres of life, but are always constituted by contingent circumstances and the activity of local institutional forms and structures. This turn to context and particularity is helpful in moving our understandings of neo-liberalism away from a global hegemonic project, but this approach does not fully explore the ways in which everyday lives are constitutive of, and constructed through, neo-liberalism (see also Leitner et al., 2007a).

Arguing that the theoretical orientation of existing theories of neo-liberalism (Marxian and Foucaultian) involve incommensurable perspectives, a third approach has involved the rejection of neo-liberalism as a singular, coherent project. Barnett (2005), for example, has argued that instead of seeing neo-liberalism as a set of processes driving social change through the expansion of markets, we should seek a more contextual analysis of long term 'populist tendencies' and part of 'much longer rhythms of socio-cultural change that emanate from the bottom-[of society] up' (Barnett, 2005, p. 10). For Barnett (2005, p. 9), 'There is no such thing as neoliberalism!' He argues that 'Theories of "neoliberalism" are unable to recognize the emergence of new and innovative forms of individualized collective action [environmental politics, consumer activism, identity politics, and so on] because their critical imagination turns on a simple evaluative opposition between individualism and collectivism, the private and the public' (Barnett, 2005, p. 10) which is being worn away in the direction of private, market-based individualism. Instead, Barnett argues, we should place centre stage analyses of, and political action around, *cultural* change in contemporary societies rather than grand projects such as neo-liberalism. While we are sympathetic to this decentering of a stable conception of neo-liberalism, in this paper we wish to push further the ways in which neo-liberalism articulates with its 'constitutive outsides', and resonates with a range of over-determined processes (Castree, 2006).

We suggest that there is another way of approaching neo-liberalism – one that focuses on the domestication of neo-liberalism. First of all, neo-liberal transitions to post-socialism have always been domesticated through the ways in which economic knowledge and claims over the supremacy of the market flow and are constructed through networks (see also Mitchell, 2002, 2005, 2007 for wider discussions of neo-liberal economic knowledge). Bockmann and Eyal (2002) have argued, for example, that it is impossible to see neo-liberalism as something that was either new to ECE after the collapse of communism or something that was simply imposed from outside by multilateral financial institutions. Through a careful and illuminating account of the interactions, largely through international conferences, between east European 'reform' economists and Western liberal economists before the collapse of the Soviet system, and through a consideration of the political and academic marginalisation of reformist economists in the East, they argue, drawing upon Bruno Latour, that:

> 'it is impossible to divide this transnational dialogue into an active, Western "author" of neoliberal ideas and policies and a passive, East European "recipient". Neoliberalism was not simply disseminated from West to East, but was made possible and constructed through the dialogue and exchanges that took place within this transnational network' (Bockmann and Eyal, 2002, p. 311).

They argue that we have to see the origins of neo-liberal economic ideas as situated within the context of struggles over economic knowledge in the 20th century. The influence of Hayekian and von Misesian theories of the market and economic individualism on contemporary neo-liberal theory can only be understood within the context of earlier debates over the possibilities for socialist economic planning in the 1920s and 1930s and – in the view of these liberal economists – the impossibility of state regulation and planning (Hayek, 1994). Fundamentally, these were debates about the realm of state intervention and planning (from the Polish reform economist Oskar Lange to Keynesian intervention in Western Europe) with roots in the attempt to make planned socialism work. Liberal economic ideas were therefore already constituted through resistance to the

communist experience of ECE. As Mitchell (2002, 2005, 2007) has emphasised in other contexts, the way that economic knowledge is constructed is fundamental to understanding the boundaries of what is possible in economic practice. For Mitchell, the work of economics contributes to the making of the economy and to the discursive ways in which 'economy' and its organisation – through the pursuit of markets and commodification – becomes an object of intervention and action. The debates over socialist economic calculation thus became constitutive of a mode of economic practice – through resistance to state intervention and the perceived eradication of individual liberty – that became known as neo-liberalism. In this way neo-liberalism was already 'domesticated' in ECE and should not be seen as a global, externally imposed project, but as one part of the construction of 'economics' not only in ECE but also in the West.

The second way of considering the domestication of neo-liberalism is the one that we pursue in more detail here. This concerns the question of how everyday life is constitutive of the neo-liberal and how the neo-liberal is positioned in relation to a host of other social, economic and political forces. Central here are the ways in which domestic and non-capitalist economic relations are constitutive of the extension of the market in a reciprocal set of relationships involving the construction of value, action and a diverse range of economic practices (Pickles, 2002; Smith, 2002, 2007; Smith and Stenning, 2006; Gibson-Graham, 2006). Understanding neo-liberalism through this domesticated lens enables us to connect to Creed's (1998) concern for approaching a 'translation' of big political-economic projects into social phenomena that are not general and simply 'out there' and all-powerful, but which are always already particular domestic and local phenomenon. In this sense, as Creed reminds us, a domesticated neo-liberalism is always created through everyday practice, and always made more tolerable as best is possible, through the lives of ordinary people. In the following section, we outline the main dimensions of the Slovak 'neo-liberal transition' as a context for understanding the range of economic practices involved in domesticating neo-liberalism.

2. Constituting a 'neo-liberal paradise under the Tatras'?

Throughout much of the 1990s the Slovak Republic was seen as a 'basket case' of market transition and quite the opposite of 'efficient', market neo-liberalism. Under successive nationalist–populist governments led by Movement for a Democratic Slovakia (HZDS) Prime Minister Vladimír Mečiar, there was a widespread perception among international investors and global financial institutions that the Slovak state had failed to put in place the appropriate mechanisms for a successful market transition to capitalism. This was coupled with the Mečiar government's antipathy towards the North Atlantic Treaty Organisation (NATO), the European Union (EU) and other international institutions, which was leading to its increasing international isolation and potential non-inclusion into the first wave of EU enlargement in 2004.

All this was to change with the election in 1998 of a centre-right coalition government led by the Christian Democrat, Mikuláš Dzurinda. The new government was fully committed to being included in the first wave of EU enlargement and to a radical neo-liberal project of reform. Dzurinda surrounded himself with a group of radical, reform-minded economists. Many of these reformers had been politically marginalised under the Mečiar government, and had developed close links to a set of external institutions such as the Bratislava-based Friedrich Hayek Foundation.[1] This group was determined to transform Slovakia towards a 'neo-liberal market paradise under the Tatra mountains' through a whole series of radical reforms.

For the proponents of the neo-liberal project, the new Slovak government after 1998 was remarkably successful. Indeed, Slovakia's neo-liberal shift became a role model for other neo-liberal states. For example, following a visit to Slovakia, the editor-in-chief of Forbes business magazine proclaimed that the country had become an 'investors' paradise'. The country, he argued, was 'set to become the world's next Hong Kong or Ireland, i.e. a small place that's an economic powerhouse' (Forbes, 2003). Forbes went on to claim that 'If Slovakia remains on its reform path, it could become the domino that pushes the rest of the EU, particularly "Old European" nations Germany and France, toward a more free-enterprise, entrepreneurial era. That would be good news for everyone.'

Here we outline the main dimensions of this neo-liberal 'revolution' through some of the primary policy changes that have occurred. For the Dzurinda government, markets and individual responsibility were seen to be the way of solving many of the economic and social problems of Slovakia – not least the second highest unemployment rate in the European Union (16.3% in 2005) and high levels of social exclusion. For example, the *National Action Plan on Social Inclusion 2004–2006 for the Slovak Republic* argued that: 'the social strategy of the Slovak Republic focuses on strengthening the role of the individual and his/her self-support by means of a system of social protection that strengthens and motivates his/her participation in the labour market' (Slovak Ministry of Labour, 2004). Labour market participation under the government's slogan 'work pays' and an emphasis on individual responsibility were therefore key motifs of the neo-liberal reform agenda. In order to stimulate this process of individualisation and the expansion of market relations, a number of reforms were enacted.

The first, which received international acclaim, was the 2004 introduction of a flat tax regime of 19% on income, corporate and value-added tax to reduce the 'tax burden' on individuals. This was accompanied by a significant

[1] Not least was the group of economists associated with the MESA10 think-tank in Bratislava that was founded in 1993 by the economist who became Finance Minister, Ivan Mikloš.

Table 1
Flat tax rates on personal incomes in East-Central Europe

Country	Tax rate	Year introduced
Estonia	26	1994
Lithuania	33	1994
Latvia	25	1995
Russia	13	2001
Serbia	14	2003
Ukraine	13	2004
Slovakia	19	2004
Georgia	12	2005
Romania	16	2005

Source: Economist (2005).

reduction in corporation tax from 45% in 1993 to 19% in 2004 (Goliaš and Kičina, 2005) and was part of the development of flat tax systems in many post-socialist states (Economist, 2005) (Table 1). The new tax system involved the development of proposals to the Slovak government and the creation of public acceptance for reduced personal income tax through a "tax freedom day" by the radical economists, including the Finance Minister Ivan Mikloš and those associated with the Slovak Taxpayers Association (effectively part of the Hayek Foundation).[2] The tax reform has – like that in the United States (Harvey, 2005), although very different in its scope and proportions – involved a significant redistribution of wealth towards the rich and corporations (Goliaš and Kičina, 2005).

The second area of neo-liberal reform, which also received international attention, focused on pensions – another area of government policy that has been thoroughly transformed and marketised throughout ECE. In the context of increasing concern over the costs of sustaining a pay-as-you-go state funded system, a new pension system was introduced in 2004. This system involved an increased retirement age of 62 for all (previously it was 60 for men and between 53 and 57 for women), and a new 'three pillar', largely privatised pension system.[3] The new system was based to a large extent on the neo-liberal Chilean model and was directly influenced by a variety of agencies of neo-liberalism, such as the Hayek Foundation who were recruited by the Minister of Labour, Social Affairs and the Family to design the new system. The Foundation was heavily influenced by the architect of the Chilean reform, José Pinera, co-chair of the right-wing think tank Cato Institute's Project on Social Security Choice and founder of the International Center for Pension Reform. The reform process has been centred on the expansion of the market into the pension system and is likely to create significant differentiation of pension outcomes for different social classes depending on ability to pay. Indeed, as one of the architects of the new system commented when asked about the possibility of increasing income inequality among pensioners under the reformed system: 'Economists do not know the word "justice"'.[4]

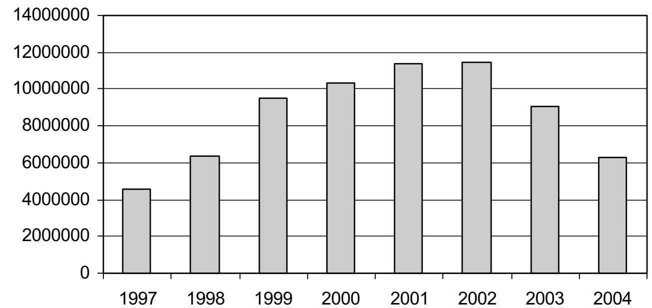

Fig. 3. State expenditure on social assistance for those in 'material deprivation', Slovakia 1997–2004 (Sk). (*Source:* data provided by Slovak Ministry of Labour, Social Affairs and Family).

The third area of reform involved a thoroughgoing transformation of the social welfare and benefits system. A central component of these reforms was the attempt to reduce the highest unemployment levels in the EU by creating 'incentives' for people to work rather than receive benefits under the government slogan 'work pays', and the implementation of reductions in state expenditure on benefits. For example, in 2001 about half of those in receipt of social assistance benefits (about 162,000 people) who fell below social subsistence level were 'reclassified'. As a result they were no longer eligible to receive benefits. In addition, benefits to those still receiving them were halved between 2002 and 2004 alongside an overall fall in state expenditure on social assistance (Fig. 3). Those losing the right to benefits were largely people who were not prepared to do 'public work', the long-term unemployed, those voluntarily leaving work, and those refusing to undertake retraining or other Labour Office programmes (Jurajda and Mathernová, 2004; Brook and Leibfritz, 2005).

The retrenchment of state social assistance has effectively impoverished large numbers of people. The basic benefit level of Sk 1610 (€41) per month for one adult in 2005 was insufficient to sustain a livelihood and, even when supplemented by payments of Sk 1700 (€43) to 'reward'

[2] Lying somewhere between May 5 and June 7, depending on the calculations used (see Ódor, 2005), and according to the Hayek Foundation, "Tax Freedom Day is... metaphorically the day when we finally start working and earning for ourselves, after having worked for the state in the previous period of the year." See http://www.hayek.sk/en/modules.php?name = News&file = article&sid = 49 The President of the Slovak Taxpayers Association is Jan Oravec, who is also President of the Hayek Foundation and of the Slovak Entrepreneurs Association, and the Association's Secretary General is Martin Chren, who is also Director of the Hayek Foundation.

[3] The new system introduced in 2005 involves three "pillars", including:
- A pay-as-you-go pillar, involving a state system administered by the Social Insurance Agency, to "protect" pensioners from poverty
- A funded pension pillar, which is voluntary for current workers. It is mandatory for those new to the labour market after 2005. Contributions are from workers and employers and are collected by the state Social Insurance Agency. The contributions are then transferred to one of several private asset management companies.
- A voluntary private pension scheme based on personal pension plans.

[4] Interview with Martin Chren, Director, Hayek Foundation, Bratislava, 13 April 2005.

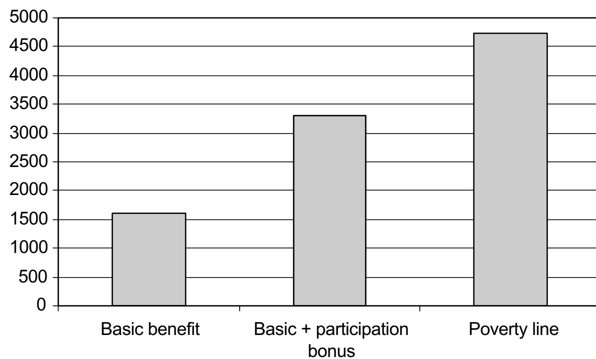

Fig. 4. Social benefits and the state poverty line in Slovakia (Sk for one individual), 2005. (*Source:* elaborated from data supplied by the Slovak Ministry of Labour, Social Affairs and Family).

Table 2
Poverty rates in selected ECE countries, 2002 (% of population below 60% of median income)

	Total	0–15 years	65+ years	Before all social transfers	Before social transfers (excluding pensions)
European Union	15	19	17	40	24
Czech Republic	8	15	4	39	21
Estonia	18	18	16	42	25
Latvia	16	19	10	43	24
Lithuania	17	20	12	40	24
Hungary	10	13	8	32	15
Poland	17	23	7	50	32
Slovenia	10	7	19	36	16
Slovakia	21	30	13	43	28

Source: DG Employment (2005, p. 190, 191).

participation in active labour market programmes, the total benefit level places an individual below the official state poverty line of Sk 4730 (€120) (Fig. 4). As a consequence, the poor have little option but to resort to work in the informal economy, the significance of which stimulated a campaign by the government against what it labels as "black work" in 2005. But informal employment opportunities both in the market and non-market economy have, at the same time, enabled neo-liberal welfare reform to take place in locations where such opportunities exist. Recourse to such informal income sources has enabled the basic social reproduction of individuals involved, even with the loss of state benefits. This is not to argue that this retrenchment is a positive dynamic, but rather to recognise how alternative forms of employment allow for the implementation of neo-liberal reform. Where few informal opportunities exist, the real material limits of the reform become all too apparent, as the example of the Roma revolt attests. This is not to suggest that the informal economy provides a solution to neo-liberalism, and should be expanded. Rather, it is to recognise the important role that informal economic opportunities provide in the maintenance of some level of livelihood.

Finally, there has been an ongoing process of marketisation and reform in the health care system, which has significantly increased the financial costs of medicine and has most negatively impacted on the elderly and the poor. In 2004 a series of reforms involved increasing the level of health service co-payments, introducing commercial health insurance and privatising health insurance companies. Consequently, household expenditure on medical services and medicines have increased (Nemec, 2005). According to one survey, 69% of pensioners said that they do not have enough money for medicine, and 53% of the disabled said they could not afford the price of medicine (SME, 2006). Furthermore, between 2002 and 2003 visits to doctors declined by 10%, and use of emergency services fell by 13% (Slovak Embassy, 2004).

However, by 2006, in the run-up to the national elections, there was increasing dissatisfaction with these policy reforms, particularly among the poorest and most vulnerable sections of society. Increasing inequality and dramatic increases in relative poverty across ECE, but particularly in Slovakia, has affected especially vulnerable groups such as children (Table 2) and the Roma (UNICEF, 2005; Vašečka et al., 2003). This dissatisfaction was manifest in increasing support for centrist and left-of-centre political parties, such as SMER, from pensioners, the unemployed and from the populations of rural and peripheral regions where unemployment rates still reached 25%. Indeed, explicitly acknowledging the consequences of the neo-liberalisation process in Slovakia, SMER successfully fought the election on a platform of a return to a welfare state, ensuring societal prosperity and of 'righting the wrongs' of earlier privatisations.

3. Poverty, neo-liberalism and livelihoods

Within this context of dramatic policy shifts and the thoroughgoing retrenchment and marketisation of the welfare system in Slovakia, how have these changes been 'domesticated' in households? How have they been made possible through actions in everyday life? And how have people tried to make processes of neo-liberalisation more tolerable? In providing a context for these questions to be explored, we examine the dimensions of social inequality within which household economic practices are developed.

Nearly 15% of surveyed households in the three different areas of Petržalka have per capita incomes which places them in the 'at risk' of poverty group (measured in relation to 60% of the regional median equivalised income[5]), and just over half (51%) of households have per capita incomes

[5] Here we use a 'risk of poverty' level of 60% of the regional median equivalised income for the Bratislava region. This method is preferred over a national median figure because of the very high costs of living in Bratislava. Bratislava was recently ranked higher than Prague, Warsaw and Budapest by Mercer Human Resources Consulting in its index of city living costs. Equivalised income is calculated using the standard OECD's method to take account of the varying composition of households, whereby each first adult is weighted at 1.0, each subsequent adult in a household is weighted at 0.5 and each child in a household is weighted at 0.3.

Table 3
Households in Petržalka 'at risk' of poverty, relative to median regional equivalised income (€216 per capita per month)

	% Households
Less than 60% of median income	15
60–100% of median income	36
101–140% of median income	19
More than 140% of median income	30

Source: Household survey (2005).

below the median for the region (Table 3). At the other extreme 30% of surveyed households have relatively high per capita incomes, reflecting the polarisation of income in the city and the attendant social inequalities that this gives rise to. While the level of risk from poverty is lower than that recently estimated by the European Commission for the country as a whole (at 21%), it is still relatively high given the overall level of economic growth in Bratislava and the low unemployment rate in the city (3%). Indeed, the existence of half of households below the median income level suggests that there are considerable numbers of surveyed households which could quite easily fall below the poverty threshold if circumstances were to change for the worse.

Within Slovakia and more widely across ECE, the Roma and the long-term unemployed have rightly been the focus of policy initiatives concerning social exclusion. Both groups have experienced high rates of poverty and social exclusion. However, this focus misses those working people, many of whom rely upon irregular and informal work, both within and outside the market economy, who also experience poverty: what we might call 'in-work poverty'. For example, our survey results show that 45% of the poorest households in Petržalka had household heads that were working and that one-third of household members in the poorest households were employed. The majority of these employees were working in the emergent, low wage urban service economy in jobs such as retailing, waiting, cleaning, and bar work (Smith et al., 2007). One reason for this neglect in the public policy agenda is the emphasis on employment creation at any cost in the effort to reduce high unemployment levels. But in doing so, policy initiatives have largely failed to consider the type of jobs created, and the pay levels and conditions of work that result. Together, in-work poverty raises questions concerning the nature of low-income work in the most economically dynamic regions, such as the capital cities of ECE, which have some of the lowest unemployment rates.

Increasing poverty has been clearly related to the neo-liberalisation of state welfare in countries such as Slovakia. This situation is likely to worsen as the impacts of welfare reform become consolidated around increasing impoverishment for the socially excluded and as further increases in basic costs of living occur, related to further rounds of price liberalisation. Given that poorer households spend a larger proportion their incomes on basic needs such as food, clothing and utilities, increasing utility costs and VAT increases for basic items are likely to impact most negatively on the poor. However, the election of a centre-left coalition government in June 2006 may ameliorate some of the worst excesses of these policies.

How then can we begin to unpack some of the ways in which neo-liberalism has become domesticated through negotiations of poverty and inequality? In what ways have neo-liberal subjects been constituted through processes of domestication? How then, in other words, can we think about the post-socialist domestication of neo-liberalism? In what follows, we focus on how neo-liberalism is constituted not only as a grand project 'out there' by powerful political-economic forces, but how it also involves, shapes and is predicated on, the re-constitution and re-working of everyday lives and community relations.

4. "The future postponed": the local political constitution of the neo-liberal state

The first is the way in which neo-liberalism is constituted politically in communities such as Petržalka. In the 1998, 2002 and 2006 parliamentary elections, the majority of the electorate voted for the neo-liberal state. In the 2002 and 2006 parliamentary elections, for example, voters in Petržalka returned the leading neo-liberal coalition party Slovak Democratic and Christian Union (SDKU) with more than double the national share of this party's vote (36% compared to 15% nationally in 2002, and 38% compared to 18% nationally in 2006). This occurred despite the area being the poorest of the five districts of Bratislava. Electoral orientations have to be set alongside the widespread ambivalence among many of our respondents about the direction of reform, particularly the way in which it leaves the poor on the margins. For example, nearly one-fifth of surveyed households reported that they did not have enough money each month even to buy enough food or that while they had enough for food purchases they did not have enough for other basic items such as clothing (Table 4). One reason for this ambivalence is a deep sense in which 'there is no alternative' if Slovakia wants to avoid a return to the anti-European, anti-democratic, populist politics of the HZDS. For example, a male adult member of one household, which was close to the poverty line despite

Table 4
Self-assessment of the material situation of households in Petržalka

	Number of households	% of households
Not enough money for food	12	8.0
Enough for food, not enough money for clothes	17	11.3
Enough for food/clothes, not enough for expensive items	57	38.0
Not enough for very expensive things	53	35.3
Can afford most things	7	4.7
Other	4	2.7
Total	150	100.0

Source: Household survey (2005).

the fact that both he and his wife work long hours in the formal economy, suggested that "We can't complain about everything, about how we live, but it could be a little easier…". In another case of a single parent nursery teacher on low wages and her daughter who attends university and works in a variety of jobs to supplement the household budget: "… It is possible to survive, if you get used to spending less, and to live normally. I don't mean that we are paupers. There are people in worse situations. And I am used to our situation, so I don't mind that we live like this, it seems to be "normal" for me." Set alongside the electoral support for the neo-liberal state, neo-liberalism is rendered as admissible and while not desirable, a necessary process to position the wider polity in liberal, democratic central Europe.

Equally, other interviews echoed a middle-aged generation postponing the future for the younger generation, and in doing so sacrificing their material advancement through support for the neo-liberal state, on the one hand, while tolerating the social and economic violence of neo-liberalism. Take, for example, one of our female respondents whose husband worked for 30 years in a local factory as a locksmith until he was forced to choose between being made unemployed or setting up his own business to provide the same services to the factory:

> 'Who would be interested in [employing] him [the husband]? He tried very hard to find work, but nobody is interested in 50 year old people. You know, how it is today. It's hard for our generation. It is only for young people… we also have different educational experiences and don't know how to do things in a modern [sic] way. Everything is very nice [today], all this progress, but not for us anymore, but what can we do…?'.

His new self-employed status means that he can go for weeks without work and with no income or benefits to fall back on due to his employment status. There are also periods when he must work more then 80 hours per week to try to maximise income-earning opportunities. The result is that the household is almost entirely dependent on the small but stable income of the woman and, at the same time, hoping that ensuring education for their children could help them to live a better life in the future. In this way, neo-liberalism becomes something to be tolerated, in the same way that, for Creed's Bulgarian villagers, socialism became increasingly tolerated. However, through this process, increasing wealth and stable livelihoods are postponed to the future and to the next generation. Generational toleration sets parameters within which a variety of economic practices outside of, but articulated with, the neo-liberal economy become mechanisms through which livelihoods are constructed – albeit almost always in precarious circumstances. Such toleration enables the rolling back of the state through neo-liberal reform processes, rather than resistance, as long as other economic practices discussed in the following sections can be drawn upon in the attempt to construct livelihoods. In this way, the neo-liberal state could – sometimes inadvertently – only function through its articulation with such a range of household and economic practices.

5. Domesticating neo-liberalism through its 'constitutive outsides'

A second way in which domestication occurs is through constituting neo-liberalism through its 'outsides' – the variety of economic practices within and beyond the capitalist economy. This may take place through engagement in informal, market and non-market work, or through the use of social networks within which households are embedded to sustain livelihoods, or further still, through involvement in household food production on plots of land.

What, then, is the relationship between domesticating neo-liberalism and informal, market and non-market work? Engagement in informal work provides an additional income to sustain that which has been reduced because of neo-liberal austerity measures. For example, one fifty-two-year old respondent who received invalidity benefit because of poor health and lives with her partner and two adult children receives Sk 3,450 (€90) per month from benefits, of which she has to spend nearly one-third on the increasing costs of medicine. In order to supplement her income she collects paper for recycling from rubbish containers around Petržalka – an activity she shares with a neighbour. Operating in a commodified informal economy they receive from a recycling depot the princely sum of Sk 1 (€0.02) for one kilo of paper. Over two days she can expect to earn Sk 350 (€9) to supplement her benefit income. The reduction of state benefits thus becomes possible because household members in cities such as Bratislava have access to informal market-based employment. In areas where opportunities are more limited – especially in the very poor and Roma communities of East Slovakia – the material limits of the informal economy may be more readily reached. Equally, such informal activity, while by definition 'outside of' the formalised and regularised markets of capitalism, creates further market activity. Despite the limited scope of such activities for securing social reproduction and sustaining livelihoods, such informal practices remain important as ways in which individuals construct informal market activity that 'bleeds' back into the formal neo-liberal market through creating a supply, for example, of paper for the recycling company in Petržalka.

A further way that the poor construct livelihoods in the face of losing social benefits is through engaging in illegal, non-registered work. The extent of illegal work is recognised even by local state officials as something that people have to resort to survive on low benefit payments.[6] Many of our respondents readily accepted the need for doing poorly

[6] Interview with official at Úrad práce, sociálnych vecí a rodiny (Office of Work, Social Affairs and Families), Petržalka, December 2005.

paid illegal work, such as a woman who was not eligible for social assistance benefits because of irregularities in which her previous employer had not paid social insurance contributions for her. Consequently, she worked as a cook without a work contract in a local restaurant in order to sustain some kind of livelihood.

All of these attempts to make a livelihood and to supplement incomes, while running counter to the neo-liberal logic requiring formalisation and regularisation of market relations and transparency, actively construct market-based activity in the pursuit of social reproduction. Indeed, employers often prefer informal forms of employment as a way of reducing tax liabilities to the state and of increasing corporate profit rates. But they result in people collecting and selling paper and undertaking illegal work to try to make ends meet in one of the most affluent cities in Central Europe.

However, for those experiencing these changes and finding livelihood strategies to deal with the consequences of neo-liberalism, the rapid descent into poverty is all too easily experienced. In many cases this has occurred through experiencing illness but not having sufficient medical problems to warrant receipt of what is still a limited full-scale invalidity benefit. In Petržalka, it is apparent that quite considerable numbers of people are existing on this edge between potential impoverishment and survival, with it only taking one negative experience – such as a bout of illness – to push a household 'over the edge'.

But thinking about the 'constitutive outsides' of a domesticated neo-liberalism involves more than a linear relationship between poverty and neo-liberalism. For example, non-market labour is often used as a reciprocal system of help and assistance, which involves all kinds of exchanges outside of the formal economy of market capitalism, thereby creating a basis for individual and community reproduction, however tenuous (Smith, 2002, 2007; Gibson-Graham, 2006; Smith and Stenning, 2006). Indeed, in a low income working family who re-arranged the work time of the two parents to be around the home when their son returned from school because of the perceived "threat" of local drug dealers, one finds a typical experience. The male partner is an electrician and he has often helped neighbours with repairs in return for either cash or other reciprocal labour. Both he and his partner have been involved over the years in a network of social and self-help relations with neighbours living in the same block, including cooking for and hosting weddings and significant birthdays, and exchanging food and assistance when required. In these ways, the 'constitutive outsides' of neo-liberalism are embedded in long-standing social relations with neighbours and with kin, characteristic also of community life under state socialism. However, they become reworked anew in the context of neo-liberalism by enabling material and financial savings, despite the pressure – reported by several respondents – for the commodification of these relations.

Avoiding the formally commodified nature of market transactions is thus one way in which the 'economy outside the economy' is constituted and sustains wider community life. In this sense, reciprocal help and exchange is enabling of an attempt to make life tolerable, and in so doing to contribute to the construction of neo-liberalism. For very low-income households such social networks of support and reciprocity are often focused on very 'local' spaces (Table 5). Limited resources and increasing costs of, for example, public transport force the poor to try to construct their livelihoods in local spaces and as a result many are excluded from regular access to the wider city.

Higher income households are much more involved in property-related assistance networks, such as looking after flats when away, which reflects the greater ability of these households to take holidays away from home and a fuller engagement in the market economy (Table 6). Indeed, many poorer households no longer take holidays, even locally. By contrast, on a range of other measures connected to managing the pressures of everyday life, such as child-care, lower income households are more reliant on neighbours than higher income households. Reciprocal childcare arrangements through kin and social networks are often used to enable an engagement with the formal economy of paid labour, particularly in the absence of low-cost child care provision that existed in the past. For example, in the largest respondent household involved in our research, comprising a multigenerational family of thirteen

Table 5
Average number of people that households have contact with in their housing block in Petržalka

	Households with equivalised income below 60% median income	Households with equivalised income over 140% of median income
Every day	4.6	2.6
Once a week	6.8	4.4
Once a month	2.3	7.1

Source: Household survey (2005).

Table 6
Forms of assistance provided to and between neighbours in Petržalka

Type of assistance	% Households with equivalised income below 60% of median income	% Households with equivalised income over 140% of median income
Neighbours look after property when away	14	42
Neighbours give food or other goods	23	16
Look after neighbours' children	23	4
Neighbours looks after children	18	7
Other kinds of help	23	7

Source: Household survey (2005).

people, the female respondent in her thirties described her mother's ability to look after the five children in the household while their parents work long hours in a variety of low paid service sector jobs as critical to their labour market involvement. While this constrains the labour market participation of this one, older woman who took early retirement, it enables that of the younger members of the household:

> 'she will maybe find a job later, but only when all the children have left home, because now when my sister and brother-in-law are at work until very late in the evening and when children finish school at lunch time, they wouldn't have anywhere to go, so my mum takes care of them. She is at home.'

For those engaged in higher income work, however, there was a feeling that neighbourly relations were deteriorating as the pressures of work constrain time for building local community connections. For example, one male household member who is the representative of the residents in his housing block argued that:

> "… from the beginning [when the block was first built in the early 1980s] relations were very intense, but now everybody lives just for themselves. The change of [political] regime worsened relations, everybody just locks themselves away in their flats and that's all… [it's connected to a big] change in life, because everybody is only working all the time"

6. Domesticating neo-liberalism through household food production

The third example of how neo-liberalism is constituted through its outsides, widespread in rural areas but still important for many urban households, concerns domestic food production. Historically, the economies of ECE were primarily agrarian until immediately after the Second World War. Swain (1994, 2001), for example, has suggested that during the Austro-Hungarian empire over 60% of the population in the territory of contemporary Slovakia worked in agriculture. The immediate post-Second World War period witnessed an extensive programme of 'forced industrialisation' under the state socialist desire for economic modernisation and to 'catch up' with the West in a wider context of Cold War geo-political and geo-economic competition (Kaldor, 1990; Smith, 1998). Large-scale urban and economic transformations resulted but, despite these transformations, households moving to urban areas maintained strong connections to land and agrarian practices. These take various forms but include, *inter alia*, access to plots of land connected to rural cottages and family homes, in addition to the growth of urban gardening on allotments allocated to workers living in large housing estates. One important consequence has been the continued utilisation of what Smollet (1989) and Cellarius (2004) have called the 'economy of jars', involving 'the circulation, often through forms of non-commodified exchange and reciprocity, of the products of household plots involving both fresh and pickled, preserved, and canned products… What is not for own consumption becomes part of a wider circulation of use values between family members and between friends' (Smith, 2007, p. 213). Here we emphasise the continuing importance of the economic practices of food production in both providing resources for domestic consumption and, in doing so, enabling other engagements in the formal economy – such as higher expenditure – than might otherwise be possible (see also Smith, 2002).[7]

Following the economic crisis that resulted from the implementation of neo-liberal market reform policies across the region, networks of food exchange are often used to sustain the livelihoods of urban households. Many households retain close linkages into rural areas through parents and grandparents who did not move to towns and cities during the process of state socialist urbanisation. While several authors have argued that this domestic economy of household food production has become central to household survival (Seeth et al., 1998), it is also clear that the poorest households do not always engage in direct production. This is not least because the cost of inputs required and transportation to the plot are too high (Clarke et al., 2000; Smith, 2002). For example, according to one working poor respondent, '… We have trees and shrubs… currants, strawberries and these kinds of "common things". But it is not worth growing vegetables, because the cost of travelling and daily watering is three times more expensive [than to buy vegetables in local shops]. Vegetables are very cheap in hypermarkets, so it is not worth growing them…'.

Through economic practices of domestic food production and the reciprocal exchange of products of the land urban and rural spaces become articulated (see Smith, 2002; Smith and Stenning, 2006). As Smith (2007, p. 214) has argued:

> 'The ability to provide labour at the weekends on rural plots of land, the receipt of vegetables, meat, and fruit in exchange for the provision of labour, and the wider involvement in an economy of care for older generations by younger household members, all act to articulate the urban and the rural economy of domestic food production.'

For example, one working poor household in Petržalka exemplifies the form that such non-commodified interactions take. The household comprises a woman, who works in a poorly paid secretarial job for a national trade union; a man, who is a struggling entrepreneur with his own machinery repair business which he established following

[7] Despite the continuing importance of domestic food production, it is widely seen that such practices are in decline with the availability of cheap food in western hypermarkets, with younger generations preferring to spend less time on such tasks, and with the burden continuing to be placed primarily on the shoulders of women despite their increased role in income earning activity (see, for example, Skochová, 2006).

being made redundant from one of the main industrial enterprises in Bratislava; and their two daughters, who are university students. Their very low monthly income places them below the poverty line and they constantly have to find ways of dealing with the very insecure income from the male partner's work. Their apartment is, however, full of jars and products of a plot of land some 50 km away on the man's mother's family home. They estimate that these products provide about 20% of their consumption of fruit and vegetables. The products also sustain a wider extended, partially commodified network of family and close friends. As the female respondent explained:

> 'Yes, we buy [fruit for pickling]. We do some research locally and find the cheapest, and my husband's mother gives us a lot of food and because she is on her own she doesn't need so much herself… Our neighbours and friends are used to us, as kind of wholesalers of pickled cucumbers for example which they offer us for a symbolic price'

This involves, then, a complex articulation of market and non-market economies and results in a very blurred set of boundaries between 'capitalism' and its outsides (Smith and Stenning, 2006).

In the same way that reciprocal labour and social networks of help connect to long-standing community practices, domestic food production is complexly intertwined with deep-seated cultural practices of food production, in which forms of knowledge and understanding concerning the use of land become translated across generations (Smith, 2002, 2007). The 'economy of jars' articulates with resources, or 'assets' (Burawoy et al., 2000), derived from past practices but used in new ways to constitute a social economy articulated with neo-liberalism. The assets, skills and knowledge developed through long-standing domestic food production practices are used, extended and reworked in times of austerity in a number of ways: through directly sustaining food consumption in households; through enabling savings on the purchase of food, and thereby allowing for other forms of consumption in the formal economy (see also Smith, 2007). For example, in one household including a university student and her mother, a low-paid nursery school teacher, access to the products of land produced on a family plot in Galanta, some 60 km from Bratislava, is central to sustaining their livelihood. They receive about 70% of their consumption of vegetables, fruit and animal products through this network and regularly provide help in various kinds to their distant family who have direct access to the plot:

> 'Sometimes we get given things, sometimes when they [the resident family] go on holiday we take care for their house and animals… and in this way we help each other. They give us everything mainly during the summer, such as fruit and vegetables. In fact, everything that we have is from them. So it is very good… they also give us poultry and hens which they also have at home… so we don't buy fruit or vegetables. Everything we get is from our family…'.

Table 7
Average household expenditure in Petržalka on selected items (average % of total household monthly expenditure)

	Households with access to land	Households without access to land
Food	31.88	35.31
Leisure	4.27	2.85
Savings	8.34	3.38

Source: Household survey (2005).

The receipt and production of domestic food items creates opportunities for a fuller engagement with the market economy and for increasing expenditure in other spheres. For example, the average percentage of monthly expenditure on leisure activity among surveyed households with access to land was double that for those without land (Table 7). In addition, the percentage of monthly expenditure on savings was three times more for those with land than those without. Such activity also contributes to the creation of groups of low-wage workers for the formal and informal market economy of neo-liberalism by enabling households to partially reproduce their labour power without requiring payment of a living wage from employers.

All of these activities therefore result in a complex set of articulations between market oriented practices of wage labour, engagement in the formal commodity economy and the wide range of practices embedded in non-market social relations (Smith, 2000, 2002; Smith and Stenning, 2006; Gibson-Graham, 2006). The role of this wider 'context' of non-capitalist economic and social practices is thus central to understanding how households and individuals deploy their assets, resources and skills which inevitably, with the development of a wider market economy of commodity exchange, become articulated with that neo-liberal economy (see also Castree, 2006; Leitner et al., 2007a).

7. Conclusions: What kind of theory for what kind of neo-liberalism?

Having explored these various forms of domestication of neo-liberalism what do they tell us about how we might think the neo-liberal in different ways? First, any theorisation of neo-liberalism should be situated in an understanding of how neo-liberalism is domesticated through household and community economic practices and, through these processes of domestication, how everyday activities are involved in the constitution of practices, subjectivities and forms of identification. These practices, subjectivites and forms of identification do not *necessarily* resist neo-liberalism (although they may under certain circumstances) but are attempts – sometimes unsuccessful ones – to find ways to make material life more tolerable. In doing so, neo-liberalism can only function through its articulation with communities and their diverse economic and social practices,

what Ong (2006, p. 9) has described as 'novel interactions between market-driven mechanisms and situated practices' (see also Castree, 2006; Leitner et al., 2007a). The practices discussed here enable the partial construction of neo-liberal worlds by 'making up for' the loss of income from neo-liberal welfare reform through informal work (albeit with its material limits as the 2004 Roma rebellion demonstrates); through the construction of markets for household expenditure in the formal market due to savings made from domestic food production and its exchange; and through the use of networks of non-commodified help and assistance (e.g. child care) enabling access to work opportunities in the formal economy. The experience of neo-liberalism might therefore be understood not as a model of power imposed on communities, although there are clear examples of this, but as a negotiated outcome of the struggles engaged in by 'ordinary' people in their everyday lives. A key moment of these struggles involves the attempt to construct sustainable livelihoods through diverse economic practices, through articulations with processes outside of, but always connected with, the neo-liberal and the expansion of market relations. As such, neo-liberalism becomes something to be destabilised as a coherent, singular and externally imposed category.[8]

Second, understanding the domestication of neo-liberalism is helped by a focus on what Burawoy has called 'assets' (Burawoy et al., 2000; see also Moser, 1998; Rakodi, 1999; Pickup and White, 2003; Smith and Stenning, 2006). This involves understanding the way that assets (sometimes from 'the past) – jobs and skills, social networks, land – are utilised through sets of economic practices in the construction of livelihoods. At times assets simply do not work to construct livelihoods, for example when illness and disability render people unable to use the asset of a 'good job' any longer or when access to informal income earning opportunities are exhausted. At these moments the result can all too easily become – in the absence of a comprehensive safety net – a descent into poverty.

Third, domesticating neo-liberalism has to attend to an understanding of the 'constitutive outside' of the market and the neo-liberal beyond the formal capitalist economy, through processes of articulation (Smith, 2002; Smith and Stenning, 2006; see also Ong, 2006). This makes it essential to consider the articulations of material and social reproduction. As Mitchell (2002, p. 270) has argued in the context of Egypt, 'The expansion of the market could not be seamless… for it had to be stitched together out of people and practices already involved in a multitude of… social relations. The project of free-market capitalism not only encountered this range of existing practice, it depended upon it to proceed'. And as Read (2003) has suggested in his reading of Deleuze and Guattari, any economic formation is 'constituted as a contingent encounter of different political and social processes, an encounter which is continually threatened with its own unraveling, it must produce, artificially as it were, its own stability… the production of a particular subjectivity that recognizes itself and its desires in the mode of production'.

Finally, then, central to understanding the transformation of everyday urban life is a concern to comprehend the 'practices' used by individuals and households to 'get by'; to create and maintain cohesive communities; to attempt to retain – in the face of real decline of incomes – standards of living reached in the past; and to create subjectivities that make everyday social reproduction not only possible, but more tolerable. This, then, is a project of de-centring the market and of recognising the variety or 'diversity', as Gibson-Graham (2006) have done, of economic practices that make up what Lee (2006) has called the singularity of the essential need for material and social reproduction. That increasing numbers of people are finding such struggles with the everyday so difficult continues to attest to the power of neo-liberalism in excluding people from everyday democratic practices and processes of social inclusion. The 'violence of the economy' continues to have very real material consequences, raising real questions over the ability of the neo-liberal 'commodification of everything' to provide a sustainable future for not only the people of ECE, but all those – including 'us in the West' – who have been impacted by the collapse of communism.

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[8] We are grateful to John Pickles for suggesting this clarification of our reading of domestication (see also Leitner et al., 2007a).

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