

Gaining Ground: Charter Schools and Urban Neoliberalization

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Abstract

Charter schools are commonly associated with neoliberalism to the extent that they utilize the market logics, governance structures, organizational norms, and capital of corporations and their attendant philanthropies. Less frequently discussed is the role of charter schools in capital accumulation through the “revitalization” of urban space. This article examines the relationship between charter schools and urban neoliberalization, with special emphasis on St. Louis, Missouri. Property developers in St. Louis saw charter schools as integral to their efforts to revalorize neighborhoods depleted by decades of racial segregation and depopulation. Linked with the end of the nation’s largest and longest-running desegregation busing program, the charter school movement in Missouri shifted educational equity efforts away from movement across the suburban/urban divide and toward urban renewal of schools themselves as well as the neighborhoods in which they were located. Having secured a friendly regulatory environment, property developers in St. Louis and Kansas City—the only two Missouri cities in which charter schools were authorized—capitalized on the cities’ historic struggles for educational equity. The growth of charters and their exploitative practices in St. Louis and Kansas City have implications for other “Rust Belt” cities whose political economies and public education systems have been ravaged by racial segregation and depopulation during the last half-century.

Keywords: *neoliberalism, charter schools, capital accumulation, depopulation, creative destruction, revitalization*

Opposition to the neoliberalization of U.S. public education often focuses on what happens within schools and with good reason. The reduction of teaching and learning to standardized and measurable “performances,” the conflation of *human* development with human *resource* development, the neglect or brutal antagonism of the system toward those for whom capital has no discernable use other than incarceration, and the exploitation of a captive and impressionable audience for commercial purposes are just a few prominent examples how neoliberalism’s market idolatry has degraded K-12 education. Declining material support for public institutions and the rise of a market-based policy framework have greatly diminished the capacity for public schools to prioritize democratic or egalitarian principles.

That U.S. public education policy is both unserious and ineffective at advancing democratic and egalitarian principles should surprise few considering how public schools have always

adopted the aims, procedures, and organizational forms of the dominant class. Nevertheless, neoliberalism's reduction of education to human capital development and privileging corporate governance structures have proved to be highly effective ways of exercising class power over public education. A fully commodified public education system understands teaching as adding value and learning as brand development. Corporate reforms and management regimes reconfigure educational institutions for the upward redistribution of public funds. For example, as they more closely resemble corporations, charter schools take on bloated administrative and marketing costs, while spending less on instruction than traditional public schools.¹

In addition to neoliberalism's ideological commitments and organizational practices, there is a crucial spatial component to its upward redistribution strategy. Recently, considerable attention has been focused on how public schools function within the processes of urban neoliberalization in ways that reach beyond curricular and operational practices and into the development and redevelopment of urban space as well as to what ends such development is directed.² The central concern here is whether and to what degree schools, specifically charter schools, are integral not just to neoliberalism's ideological project of human resource development but to capital's perpetual processes of accumulation through spatial depletion and revalorization.

A Brief Note on Neoliberalism

Neoliberalism has become a sort of umbrella concept for various critiques of late capitalism, and clarification, therefore, is necessary. Neoliberalism is at once an ideological project and an exercise of class power through capital's control over the state. In the ideological sense, neoliberalism mythologizes a market-based individualism wherein the entrepreneurial actor, *homo oeconomicus*, is the prime unit of politics and offers a quasi-anthropological account of human nature.³ In terms of statecraft, neoliberalism advances a schizophrenic mode of governance that at once extols the virtues of limited government and a mythological free market while relying heavily on repressive state violence, regulatory agencies, and public funding as integral components of capital accumulation.⁴ David Harvey argues that by importing the tropes of classical liberalism into late capitalist technocracy, neoliberalism offers a "theoretical utopianism" that has "primarily worked as a system of justification and legitimation for whatever needed to be done" to restore and sustain capitalist class power.⁵ Through these contradictory impulses, neoliberalism lurches onward through cycles of creation and destruction, a monstrous mode of governance feeding on its own disasters.

Neoliberalism's persistence despite its internal contradictions have forced theorists to look for some sort of unity within the apparent chaos. In the early 1990s, Pierre Bourdieu described an internal incoherence between what he called the left and right hands of the state. The social welfare

1. See, for example, "Charter School Revenues, Expenditures and Transparency" (Pennsylvania School Boards Association), accessed August 4, 2017, <https://www.psba.org/wp-content/uploads/2016/08/Charter-School-RtK-08172016.pdf>, which claims Pennsylvania charter schools' administrative expenditures are more than twice that of their public school counterparts'.

2. Pauline Lipman, *The New Political Economy of Urban Education: Neoliberalism, Race, and the Right to the City* (New York, NY: Routledge, 2011); Buras, *Charter Schools, Race, and Urban Space: Where the Market Meets Grassroots Resistance*.

3. See Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution* (Brooklyn: Zone Books, 2015); For an study of neoliberalism's ideological influence on popular music, see Lester K. Spence, *Knocking the Hustle: Against the Neoliberal Turn in Black Politics* (Brooklyn: Punctum Books, 2015).

4. For an authoritative study of how the free market has always been a fiction, see Karl Polanyi, *The Great Transformation* (Boston, MA: Beacon Press, 1954).

5. David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005), 19.

institutions and their workers comprised the state's left hand, while the state's representatives of global finance constituted the right hand. There was a sense on the left, Bourdieu argued, that the state's right hand was ignorant of the purposes and practices of the left or at the very least unwilling to continue its funding.⁶ The prevailing sense was that the state was the battlefield where the forces of Keynesian social welfare waged perpetual war with the ministers of finance, the former seeking regulatory protections for the masses and the latter seeking deregulation on behalf of individual and market freedoms.

As neoliberalism has progressed, though, it has become apparent that the left and right hands of the state are part of a coordinated if still unstable accumulation strategy. Nancy Fraser describes the movement from Keynesian liberalism to neoliberalism as the movement from state protections of individuals, especially those from the working class, *against* the ravages of the market to the "liberation" of individuals from all social classes *through* the market.⁷ Such a movement required a coordinated transformation of the state itself. The neoliberal state is not the terrain on which fight the forces of social welfare regulation and free-market deregulation. Rather the neoliberal state engages in what Jamie Peck and Adam Tickell call "'metaregulation,' a rule system that paradoxically defines itself as a form of *antiregulation*."⁸ Regulation and deregulation are not rival principles under neoliberalism. They are instead integral to the creation, manipulation, and exploitation of crises for accumulation. Metaregulation is particularly useful in illuminating the accumulation strategies of neoliberal education reform. Transforming public education into a marketplace wherein traditional public schools compete with quasi-public charter schools, and private schools for students requires an immense amount of deregulation *and* reregulation. New pro-market quasi-governmental bureaucracies have flourished under neoliberal education reforms despite the mantras of free markets and limited government. Such is the condition of the neoliberal state: ideological flexibility and contradictions find their coherence and unity in upward wealth redistribution and the consolidation of capitalist class power.

Consuming Cities

Examining the dynamics of public education, charter schools, and the political economy of urban revitalization sheds light on both the geographical patterns and distinctions of neoliberalization. This is a crucial point, since "the Illinois problem" described throughout this issue is certainly the product of political and economic conditions unique to that state. Yet at the same time, those conditions, the neoliberal policy solutions, and the effects of public privatization and austerity bear a family resemblance to the national and international problems associated with neoliberal governance. The resemblance is particularly strong in the heavily segregated and deindustrialized cities of the Midwest known as the Rust Belt. In what follows, I discuss how capital moves through and reshapes the built environment of cities as well as some of the consequences issuing from modes neoliberal governance that position cities as commodities themselves rather than mere sites of production and consumption. In the interest of expanding "the Illinois problem" to the regional level, I offer St. Louis, Missouri, as a study in neoliberalism's penchant for disaster capitalism and the role of charter schools in revalorizing urban space ravaged by racism and deindustrialization.

6. Pierre Bourdieu, "The Left Hand and the Right Hand of the State," *Variant*, Summer 2008, 3.

7. Nancy Fraser, "Contradictions of Capital and Care," *New Left Review* 100 (August 2016): 99–117.

8. Jamie Peck & Adam Tickell, "Neoliberalizing Space," in *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 49.

I do so not to divert attention away from Illinois or to downplay the severity of austerity and neoliberalization within that state. Instead, my aim is to highlight the regional dimensions of the Illinois problem and illustrate how charters can be useful for urban neoliberalization and the upward redistribution of public wealth, especially in Chicago, where as Pauline Lipman claims, “big city mayors go to see how to restructure their school systems.”⁹ With Chicago enrolling the fourth largest number of charter school students in the nation and serving as a proving ground for national policy under the Obama administration, the spatial politics of charter schooling are a vital concern for public education and those who would resist the continued neoliberalization of public space.

Before addressing charter schools’ role in revitalizing urban space, I should put forth a few basic principles of cities pertaining to political economy. The first is that the built environment is the manifestation of class power within a given society’s economy. Power so constructed is more than simply access to the most advantageous spaces and the highest quality of goods and services, although such access effectively preserves a city’s existing class hierarchies. These are the characteristics, benefits, and methods of reproducing power. They are not its sources. As Harvey reminds us, “From their inception, cities have arisen through geographical and social concentrations of a surplus product. Urbanization has always been, therefore, a class phenomenon, since surpluses are extracted from somewhere and from somebody, while the control over their disbursement typically lies in a few hands.”¹⁰ Under capitalism, those hands belong to the capitalists, and they shape the urban environment in the image and likeness of their class. That is, they structure space instrumentally and symbolically as displays of economic hegemony.¹¹ Examples of the former include organizing the flow of people and goods through transportation systems that maximize efficiency for profitability. Common visual symbols of economic hegemony include the shape of a city’s skyline and architectural style of its most prominent buildings.

For much of the twentieth century, the power capital wielded over urbanization was checked, at least in theory, by a Keynesian compromise in which the state mediated the interests of capital and the public for the good of both. Public works, public housing, public hospitals, and public schools were all state provisions drawn from capital’s surpluses and deployed, if not always with public flourishing in mind, at least to stabilize life against the vicissitudes of the market. Public projects stabilized physical as well as social space as cities grew in population and capital investment. Non-market spaces and institutions improved the quality of life for the poor and helped to rationalize and scale perennial causes for social unrest such as overcrowding, poor sanitation, and food scarcity. Because of neoliberalization, the role of the state transitioned to facilitator of capital accumulation over and against notions of public goods delivered through non-market mechanisms. It is worth noting that the modern nation-state has always been the facilitator of capital accumulation.¹² To think otherwise is to misunderstand political economy and capitalism. As

9. Lipman, *The New Political Economy of Urban Education: Neoliberalism, Race, and the Right to the City*, 19. For an analysis of the importance of mayoral control to neoliberal education reformers in Chicago, see Pauline Lipman et al., “Should Chicago Have an Elected Representative School Board? A New Review of the Evidence” (University of Illinois at Chicago: Collaborative for Equity & Justice in Education, February 2015), <http://ceje.uic.edu/wp-content/uploads/2013/11/CEJE-ERSB-Report-2-16-15.pdf>.

10. David Harvey, *Social Justice and the City*, Revised edition (Athens: University of Georgia Press, 2009), 315–16.

11. Henri Lefebvre, *The Production of Space*, trans. Donald Nicholson-Smith (Cambridge, MA: Blackwell, 1991); David Harvey, *Spaces of Global Capitalism: Towards a Theory of Uneven Geographical Development* (New York: Verso, 2006), 141–43. Lefebvre develops three facets to the production of space: material space (sensate), representation of space (ideologically inflected), and spaces of representation (the staging of everyday life). Harvey further develops these concepts into what he calls absolute (material and geographic), relative (circulation of people and commodities, and relational (social and political dynamics).

12. Polanyi, *The Great Transformation*.

finance-intensive capital became more mobile and consolidated power, though, the state shed its regulatory and mediating functions in favor of pro-market interventionism. Instead of shielding the public from the externalities of capitalist accumulation, the neoliberal state makes a market of the public itself while shielding capital from the eventual fallout. By 1979, Robert Goodman had presciently named city governments “the last entrepreneurs” since they were the entities assuming capital’s risks to attract the people and industries that had left urban centers for the greener pastures of the suburbs and foreign currency and labor markets.¹³

With policymakers intent on opening up new markets and incentivizing capital’s accumulation rather than protecting the public against the market’s capacity for intrusion into and devastation of life, urban space, particularly the urban core was transformed again as Henri Lefebvre puts it, to take on the “double role” of “place of consumption and consumption of place.”¹⁴ Cities were not just spaces in which capital reproduced itself by providing both workspace and living space. They had become spaces in which urban lifestyles, or to use Lefebvre’s phrasing “everyday life,” was manufactured for purchase and consumption. Lefebvre’s notion that urban space itself is an abstract as well as concrete commodity is forcefully illustrated by the popularity of shows like HBO’s *Sex and the City* in which it is not just sex or luxury material goods but urban living itself that is the object of fetishistic consumption.

With the neoliberal state acting as instrument rather than arbiter of capital’s interests *vis-a-vis* the public, capitalism’s processes of depletion and either abandonment or revalorization, what Schumpeter referred to as “creative destruction,” enjoys free rein to shape urban space and urban life in accordance with its desires.¹⁵ Previously stabilizing non-market spaces, goods, and services are reintroduced into the market either directly as commodities or indirectly according to market-based logics of governance or justification. Schools provide ample illustrations for both. Closing traditional public schools and selling or leasing the property to developers is an example of the former. Advocating for universal public goods like early childhood education based on projected returns on investment later in life illustrates the latter. Neoliberalization transforms the job of a city official from one of representative governance of political constituents to entrepreneur competing with other cities to attract capital (commercial and human) to invest.

One contradiction inherent to interurban competition is that the primary means for selling a city to prospective residents and business are sometimes mutually exclusive. For example, a city might wish to attract residents by advertising the quality of its services that contribute to high standards of living such as well-funded schools, public parks or greenspace, clean water and streets, and access to quality healthcare facilities. The city might also wish to attract capital investment by offering a portfolio of tax incentives including abatements, zoning de/reregulation, tax increment financing (TIF), and other upward redistributions of public funds. Overreliance or misuse of capital’s incentive package erodes the city’s capacity to maintain and develop those services aimed at improving the quality of life for current or prospective residents. Moreover, capital’s capture of the political process all but guarantees its primacy of place over quality of life issues for the broader public. The entrepreneurial city’s hope is that in attracting capital investment, it will also grow its population and create a virtuous cycle. Sometimes such a strategy is successful in terms of capital investment and population growth. Even successful development though can

13. Robert Goodman, *The Last Entrepreneurs: America’s Regional Wars for Jobs and Dollars* (New York: Simon and Schuster, 1979).

14. Henri Lefebvre, *Writings on Cities*, ed. Elizabeth Lebas, trans. Eleonore Kofman (Cambridge, MA: Blackwell, 1996), 73.

15. Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper, 1942).

erode the quality of life for lower-income residents who can no longer afford to live in their newly gentrified neighborhoods. Further, capital's increasing mobility in the finance and technology-driven economy makes virtuous growth cycles difficult to sustain. The Fordist economy required massive amounts of fixed capital in the form of factories and infrastructure such as those that dominated Midwestern cities for most of the twentieth century. Businesses were reluctant to leave after having invested so heavily in a given city. When the product is money in its commoditized forms (e.g. stocks, bonds, or mortgages) or the software and geographically dislocated services of the tech industry, capital is less inclined to remain tied to one location and benefits from a race to the bottom as cities are forced to offer greater and longer lasting incentive packages in their efforts to keep capital rooted in place. The same is true of cities that have transitioned to a local economy driven by tourism. Hotels, sports stadia, concert or convention venues soak up massive amounts of public funding on the promises (nearly always overestimated) that their return on public investment will come in the form of jobs and sales tax revenue. However, hospitality and entertainment provide mainly low-income and precarious employment, and public schools' primary source of revenue is property, not sales taxes. The result of marketing urban space as a tourism commodity is speculative incentives starve public goods and services of funds immediately and well into the future. The average length of a TIF agreement and tax abatements is 15-25 years. As Jamie Peck and Adam Tickell put it, "The public subsidy of zero-sum competition at the interurban scale rests on the economic fallacy that every city can win, shored up by the political reality that no city can afford principled noninvolvement in the game."¹⁶ Thus, the threats to democracy, local autonomy, and even the stability of the social space of cities are grave even when they "succeed" and especially when they do not.

The Neoliberal Restructuring of St. Louis Public Schools

St. Louis's story for most of the last six decades has been one of tragic and unrelenting decline. The ravages of deindustrialization and the broadly unsuccessful efforts of the entrepreneurial political class to revitalize the city are baked into the bricks—those of the crumbling townhouses in the impoverished black north side neighborhoods and those of its old downtown factory buildings converted into the chic lofts of the urban professional class. Aided by a surge in wartime industrial manufacturing, St. Louis reached its peak population of over 856,000 in 1950, but post-war suburbanization and the balkanization of suburban St. Louis County led to precipitous declines over subsequent decades.¹⁷ By 2010, St. Louis's population was just under 320,000, a 63 percent decline from 1950. The worst decade for depopulation was 1970-1980 when 170,000 people left the city.¹⁸ The primary beneficiaries of this exodus were the suburbs of St. Louis County, which went from around 400,000 people in 1950 to over 1,000,000 by 2000. The population tailspin made redevelopment projects ineffective at best and, at worst, a blatant cash grab by local developers.

16. Peck & Tickell, "Neoliberalizing Space," 46.

17. Joseph Heathcott, "Modelling the Urban Future: Planning, Slums, and the Seduction of Growth in St. Louis, 1940-1950," *Planning Perspectives* 20, no. 4 (October 2005): 373.

18. Colin Gordon, *Mapping Decline: St. Louis and the Fate of the American City* (Philadelphia: University of Pennsylvania Press, 2008), 25.

St. Louis's public school buildings are emblematic of the city's struggles with race and political economy. During the 1950s and 1960s when the city's population was cresting and beginning its downward decent, the public school system went on a construction spree spurred in part by necessary updates and expansions for buildings constructed during the last half century of rapid growth and part by the desire to ease overcrowding in St. Louis's segregated black schools. By building schools in St. Louis's predominantly black neighborhoods, the district thought it would ease the growing unrest of black parents and community leaders who were protesting their children's concentration in a handful of dilapidated buildings while also placating white parents militating against black students being bused to their spacious and functional school buildings following *Brown's* desegregation mandate. The city, thus, rebuilt its public education infrastructure out of its desire to avoid desegregating its schools "with all deliberate speed." Thirty-five of the thirty-nine buildings the district constructed between 1954 and 1974 were attended primarily by black students either because they were built in hypersegregated black neighborhoods (as most were) or as a result of whites abandoning public schools in St. Louis's few racially mixed neighborhoods.¹⁹ As the flows of capital and white St. Louisans to the suburbs accelerated during the 1970s and 1980s, the city and the city schools shared the same problem: the massive surplus of fixed capital in the built environment that was unused and rapidly deteriorating combined with diminishing sources of revenue.

The schools' predicament was exacerbated by city officials' entrepreneurialism. Capital's exodus had so thoroughly devoured the city's past prosperity that its neoliberal policymakers decided to sacrifice St. Louis's future to lure the beast back. The political class had been so extravagant with its tax incentives that, by 1998, property taxes for over half of all real estate within city limits were either deeply discounted or nonexistent.²⁰ During the previous decade alone, the city granted tax abatements for 4,500 parcels or 11 percent of its property tax base.²¹ As difficult as it was for the school district to handle the perpetually declining revenues from its plummeting student population and excess real estate holdings, the loss of most of their property tax revenues for the foreseeable future led to a state of perpetual crisis.

Late capitalism's policy to never let a good crisis go to waste, especially those created through its insatiable accumulation thirst, is evident in Missouri's omnibus education reform bill Senate Bill 781 passed in 1998. Without acknowledging the structural instability of deindustrialization and sacrifice of the district's property taxes on the altar of "urban renewal," SB 781 framed the district's problems as fiscal mismanagement by an unruly elected board, a revolving door of superintendents, and a lack of clear accountability for principals and teachers. The bill brought all the tenets of neoliberal education reform under one roof. It instituted a mechanism for transferring control from an elected school board to a three-member "temporary" appointed board upon loss of accreditation resulting from failure to meet standardized testing mandates.²² It authorized new regimes of teacher and administrator accountability tied to student test scores. It set an end date for the state's financial obligations toward the largest and longest-running school desegregation busing program in U.S. history, obligations that stemmed from a parent-led class action lawsuit brought in 1972 and settled in 1983. And SB 781 made Missouri the 34th state to legalize charter

19. Gerald W. Heaney and Susan Uchitelle, *Unending Struggle: The Long Road to an Equal Education in St. Louis* (St. Louis: Reedy Press, 2004), 85.

20. This includes nontaxable public and charitable (e.g. religious) property.

21. Gordon, *Mapping Decline: St. Louis and the Fate of the American City*, 216.

22. St. Louis Public Schools (SLPS) lost accreditation in 2007. The "temporary" three-member appointed board is now on its fourth three-year term despite the district having scored within the acceptable range for regaining accreditation.

schools; however, it did so with an important provision. The bill limited the authorization of charter schools to cities with populations of 350,000 or more, which meant charters could operate only in St. Louis and Kansas City, the state's only two districts to have operated court-enforced desegregation programs. Policymakers, thus, altered the governance structure of public education to avoid desegregating its schools much like they had altered its physical infrastructure during its post-*Brown* construction boom.

Revalorizing the Rust Belt with Charter Schools

Missouri's legalization of charter schools was more than just a technocratic restructuring of urban public education and a backlash against desegregation's redistribution of public funds to majority-black urban schools. Charters presented a new method for revalorizing property developers had accumulated at rock bottom prices and with the help of the city's lucrative tax incentives. During the lead up to SB 781's passage, the most vocal proponents of the charter portion of the legislation were prominent St. Louis property developers who specialized in using tax incentives and political connections to profit from blighted real estate. Leon Strauss, a well-known St. Louis redeveloper, financed a 501c3 called the Charter School Information Center that collaborated with other redevelopers to promote the inclusion of charters in the education reform bill. These developers saw charters as a way of marketing neighborhoods they had invested in and attracting families into what they hoped would become the object of every slumlord's and neoliberal city official's desire, the mixed-income community. Richard Baron of McCormack, Baron, Salazar, an enormously powerful redevelopment firm headquartered in St. Louis, was also behind the push for charters, which he saw as an opportunity to develop school-centered community development models in St. Louis's poorest neighborhoods his firm could replicate across the country.²³ Baron believed that bypassing local school boards and empowering principals with greater control over the schools' budgets and curricula gave local business interests greater control over the schools. He raised funds from local corporations and lobbied state officials to have his school-centered neighborhood revitalization project serve as a model for Missouri's welfare-to-work program.²⁴ McCormack, Baron, Salazar now specializes in charter-focused mixed income community redevelopment and is one of the primary recipients of federal HOPE VI grants. The company is so successful at capitalizing on urban poverty that Goldman Sachs bought a 33 percent stake in the company in 2010.²⁵

That St. Louis's redevelopers would see unique opportunities in a proposed piece of education reform legislation and launch an advocacy campaign (for the children of course) is not surprising, but St. Louis's charter legislation was an opportunity they crafted, not one they came upon. The principal drafter of the charter portion of SB 781 was William Kuehling, a lawyer in one of St. Louis's most powerful firms who specializes in public-private partnerships and the full spectrum of redevelopment tax incentives. His biography on the firm's website highlights that, in addition to his expertise in negotiating tax abatements and TIF deals, "Clients with unique needs seek Bill's assistance with controversial land use and zoning issues, including obtaining zoning,

23. Linda Tucci, "Strauss, Baron Heading Efforts for City's Alternative Schools," *St. Louis Business Journal*, February 16, 1997, <http://www.bizjournals.com/stlouis/stories/1997/02/17/story4.html>.

24. Tucci.

25. Lisa R. Brown, "Goldman Sachs Buys Stake in McCormack Baron Salazar," *St. Louis Business Journal*, May 16, 2010, <http://www.bizjournals.com/stlouis/stories/2010/05/17/story6.html>.

demolition, and building permit approval over significant public opposition.”²⁶ It would be difficult to find a more perfect encapsulation of how neoliberalism, particularly the charter movement, utilizes mastery of the arcane policy webs of urban redevelopment in declining and deindustrialized cities to thwart democratic opposition and remake public policy, public organizational structures, and public spaces in the image and likeness of late capitalism.

Neighborhood “revitalization” is just one way Missouri’s charter schools upwardly redistribute public education funding to private developers. The schools themselves can be the vehicles for transferring public assets to private coffers. As I previously stated, St. Louis made massive investments in new school construction near the height of its population and during the earliest decades of its population collapse. The city had built a public education infrastructure for a 1960s population of 800,000 (over 115,000 public school students) that could not be fully utilized by a population of less than half that (around 25,000 students) fifty years later. During the early 2000s, the SLPS Board hired corporate restructuring firm Alvarez & Marsal for a one-year, \$5 million contract.²⁷ Alvarez & Marsal immediately installed one of its own partners, William Roberti, as acting superintendent of St. Louis public schools despite his total lack of experience in educational administration. As the district’s “Chief Restructuring Officer,” Roberti received \$675 an hour to impose austerity on the financially struggling district.²⁸ In addition to privatizing services and laying off thousands of workers, Roberti closed sixteen schools, twelve of which were in the city’s poorest neighborhoods on the north side. These were the very same schools the district had built to avoid desegregation in the 1960s.²⁹ The district lost its accreditation soon after Roberti departed St. Louis for his new jobs as chief restructuring officer for Orleans Parish schools before and immediately after Hurricane Katrina and later as bankruptcy advisor for Detroit’s public debt. The glut of vacant school buildings and the ascendancy of the charter school movement made even the district’s newly appointed Special Administrative Board (SAB) weary of the existential threat charter schools posed to the crisis-ridden district. As a result, the SAB passed a deed restriction that prohibited prospective buyers from reopening the property as a school for 100 years. The restriction lasted only two years before Missouri’s billionaire political power broker and charter school proponent Rex Sinquefeld’s impending lawsuit convinced the SAB to repeal it.³⁰ St. Louis’s charter schools and their corporate supporters can now count over twenty former public schools among the many vacant buildings from which they can choose.

Even before the district revoked the deed restriction, the nation’s largest for-profit charter franchise Imagine Schools, Inc. had managed to get its hands on some vacant SLPS property. Imagine had figured out that school property is one of the most efficient and lucrative ways of extracting profits from public education. The combination of vacant property, a public school district in crisis, and the deregulated flow of neoliberal redevelopment incentives made St. Louis the ideal environment for Imagine’s expansion efforts. Samuel Glasser, a local property developer who had been convicted of conspiracy to import cocaine in the 1970s and who pleaded guilty to

26. Thompson Coburn LLP, “William J. Kuehling,” accessed April 1, 2016, <http://www.thompsoncoburn.com/people/find-a-professional/william-kuehling.aspx>.

27. For discussion of Alvarez & Marsal’s work in post-Katrina New Orleans, see Kenneth J. Saltman, *Capitalizing on Disaster: Taking and Breaking Public Schools* (Boulder: Paradigm, 2007), 40–44.

28. D.J. Wilson, “Demolition Man,” *Riverfront Times*, July 9, 2003, <http://www.riverfronttimes.com/stlouis/demolition-man/Content?oid=2465558>.

29. Heaney & Uchitelle, *Unending Struggle: The Long Road to an Equal Education in St. Louis*, 207–8.

30. Kelsey Volkmann, “St. Louis Schools Repeal Deed Restriction,” *St. Louis Business Journal*, April 17, 2009, <http://www.bizjournals.com/stlouis/stories/2009/04/13/daily86.html>.

bank fraud in 2011,³¹ first got into the charter school property market when in 2003 he leased one of his properties to a charter operator that Imagine would later acquire. When Imagine was expanding rapidly in St. Louis in 2006-2007, Glasser offered two vacant SLPS properties he had acquired by listing non-educational plans on his sales agreements with the district as a way of circumventing the board's policy against selling to charter school operators.³² Indeed, its dealings with Glasser were what prompted the deed restrictions the board imposed later that year. Glasser flipped the properties to SchoolHouse Finance, a subsidiary and property acquisition arm of Imagine, for \$665,000 more than he paid the district a matter of months earlier. As the owner of the general contracting company Samuel & Co., Glasser then made nearly \$1 million more in profits and fees for rehabbing Imagine's newly acquired properties. The neoliberal state chipped in its part when the Missouri Department of Economic Development awarded Glasser nearly \$500,000 in historic tax credits, which he then charged Imagine an additional \$150,000 to apply.³³

Imagine had no cause for alarm at Glasser's profiteering; it was all part of the plan. The EMO was flush with cash from a real-estate trust funded by Joseph E. Robert, Jr., an investor and "philanthropist" who made billions off distressed properties during the federal government's savings and loans crisis during the 1980s.³⁴ A Kansas City-based property management corporation called Entertainment Properties Trust owned Robert's trust (JERIT CS Fund I) along with 26 Imagine School, Inc. properties across the country. Acting through its subsidiary SchoolHouse Finance, Imagine sold its St. Louis schools to Entertainment Properties for ten times what it paid Glasser. Entertainment Properties then leased the buildings back to SchoolHouse Finance to extract rental income, which is why Imagine's St. Louis schools spent approximately 15-21 percent of its state revenues on rent. For comparison, a locally run charter, City Garden Montessori, spent less than 4 percent of its revenues on rent during the same year.³⁵ On top of the rent, Imagine extracts 12 percent of each school's annual revenues as operating costs and imposes a series of additional administrative fees.³⁶ With so much money meeting the needs of rent-seeking capitalists, comparatively little is left over for actually educating St. Louis's most impoverished students. It should come as no surprise that Imagine's state-mandated performance scores were some of the lowest in the city. I do not wish to suggest that student performance data is at all a reliable indicator of quality public education. It is, nonetheless, significant that Imagine spent so little on educating the 3,800 students in its six St. Louis schools it could not even afford to play the "accountability" game. When the state closed Imagine's St. Louis schools in 2012, it cited their poor performance rather than their property profiteering as the reason, effectively sending the message that the extraction and upward redistribution of millions of public education dollars is fine as long as it produces the "results" demanded by neoliberal public school accountability regimes.

St. Louis is exceptional only in the degree to which it lays bare the motives of neoliberal urban education reform. The notion that neoliberalism's penchant for deregulation and fractured

31. Elisa Crouch, "Imagine Schools Executive Named in Contractor's Bank Payments," *St. Louis Post-Dispatch*, October 30, 2011, <http://www.stltoday.com/news/local/education/imagine-schools-executive-named-in-contractor-s-bank-payments/article1c363e4-b7fb-5d19-8f12-a592e5f7d3d3.html>.

32. Elisa Crouch, "Imagine Schools' Real Estate Deals Fuel Company Growth," *St. Louis Post-Dispatch*, October 30, 2011, http://www.stltoday.com/news/local/education/imagine-schools-real-estate-deals-fuel-company-growth/article_dbf9b959-0c73-586c-97e7-6fca3a729b39.html.

33. Crouch.

34. Diana B. Henriques, "Joseph E. Robert Jr., Investor in Real Estate, Dies at 59," *New York Times*, December 8, 2011, <http://www.nytimes.com/2011/12/09/business/joseph-e-robert-jr-investor-in-real-estate-dies-at-59.html>.

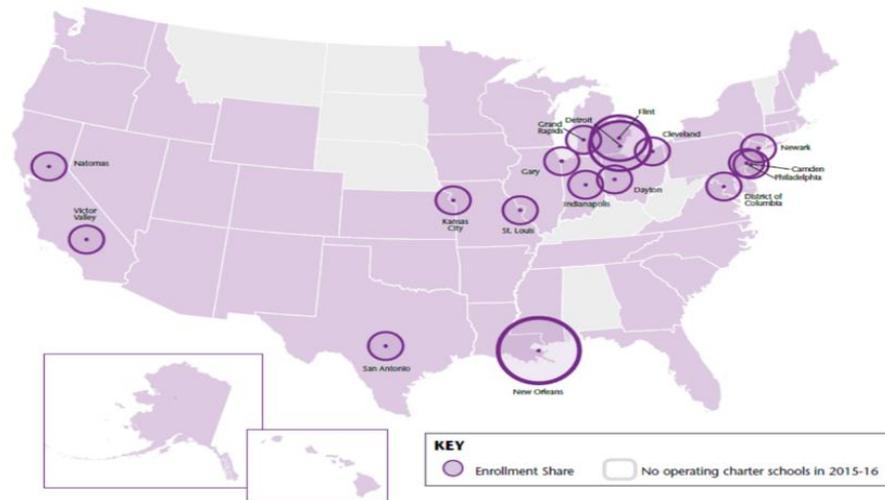
35. Crouch, "Imagine Schools' Real Estate Deals Fuel Company Growth."

36. Crouch.

local governance could combine with the singular interests of corporate capital and property developers to improve education for an impoverished and majority-black urban school district has proven a remarkably potent fantasy in St. Louis and the region. Public schools have always needed reform and are no different today, but neoliberalism has captured the political process to such a degree that the very idea of public education reform has become synonymous with privatization. Moving public education away from market influences will require not just the reformation of public education policy but the complete rejection of neoliberalism.

The political economic conditions that have made St. Louis ripe for plunder by property developers and entrepreneurial city officials resemble many other hypersegregated and deindustrialized Midwestern cities. These cities are also similarly saturated by charter schools. New Orleans is certainly the most drastic and most famous experiment in charter schooling as a function of disaster capitalism, but in terms of regional clustering, New Orleans is an outlier.³⁷ Of the seventeen cities with 30 percent or more public school students in charters, the Rust Belt claims over half, its regional dominance clearly illustrated in the following figure.³⁸

Figure 1: Regional Clustering of Charter-Concentrated Districts



What precisely accounts for such stark clustering is difficult to say. Policy variations from state to state and even at the municipal level. Indiana, for example, is the only state that allows mayoral authorization of charter schools. From the passage of its charter law in 2001 to 2015, Indianapolis mayors alone authorized 25 charter schools.³⁹ The relative strength of teachers unions also certainly plays a role. With Kentucky and Missouri passing right-to-work legislation in 2017, Illinois is effectively surrounded. A current ballot initiative in Missouri will determine whether the state will implement right-to-work legislation passed in 2017. Anti-labor interests have been pushing

37. Buras, *Charter Schools, Race, and Urban Space: Where the Market Meets Grassroots Resistance*; Saltman, *Capitalizing on Disaster: Taking and Breaking Public Schools*.

38. National Alliance for Public Charter Schools, “A Growing Movement: America’s Largest Charter Public School Communities and Their Impact on Student Outcomes,” November 3, 2016, 8, <http://www.publiccharters.org/get-the-facts/publications-research/>.

39. Mark L. Stein, “Public School Choice and Racial Sorting: An Examination of Charter Schools in Indianapolis,” *American Journal of Education* 121, no. 4 (August 2015): 606.

for years for Ohio to pass statewide right-to-work legislation, with the newest round of that battle expected in 2020. If such a measure passes, Illinois will be lone regional holdout. Despite the large number of charter school students in Chicago, the city's public school system has been able to resist the level of concentration seen in other Rust Belt cities. The strength of the Chicago Teachers Union and their recent history of using the strike effectively have been a factor. In contrast, Missouri law prohibited public sector unions from striking long before the state attempted to disempower workers further with right-to-work legislation. However, the success of Missouri's labor unions to stall and potentially thwart the implementation of Missouri's right-to-work law as well as the numerous examples of wildcat strikes by teachers in other areas of the country suggest the possibility of renewed strength and militancy from labor. As Bruce Baker has demonstrated, many of the Education Management Organizations driving charter school expansion "have been the subject of federal and state investigations and judicial orders regarding conflicts of interest (self-dealing) and financial malfeasance. These operators include Imagine Schools, Inc., White Hat Management, National Heritage Academies, and Concept Schools."⁴⁰ These organizations capitalize on favorable state and municipal relationships and exploit low-income, majority-minority urban school districts that have suffered from public disinvestment and political disempowerment for decades. This cycle of disinvestment followed by privatization is characteristic of neoliberalism's so-called socialism for the wealthy, wherein the poor are subject to austerity and the wealthy become the beneficiaries of state aid.

I have argued that "the Illinois problem" is a differentiated example of structural issues inherent to neoliberalism. The Midwest, which is uniquely beset by deindustrialization, suburbanization, and racial segregation, is a landscape ripe for charter school concentration among other means of upwardly redistributing public funds. To be clear, my argument is not that this is the *raison d'être* of all charters. Rather charter schooling's explosive growth is driven, at least in part, by the redistributive market opportunities inherent to this particular form of neoliberal education policy. The potential for charter schools to take on a radical or egalitarian mission certainly exists, but such schools will be isolated instances within a broader neoliberal movement funded and propelled by the dominant class interests and the politics of urbanization. What is necessary, therefore, is a means of taking counter-neoliberal tactics to scale. Strong labor organizing and a commitment to democratic institutions such as is found within the ranks of the Chicago Teachers Union is necessary but not sufficient. Nor is it sufficient to reflexively support traditional public schools as though they too are not sites of neoliberalization and class oppression. The larger and seemingly utopian task is moving urbanization away from capitalist accumulation and toward a form of political economy rooted in economic justice, distributed political power, and a robust notion of the common good. The path toward such a society is unclear. As it becomes easier to escape into consumerist fantasies, and as structural politics becomes increasingly obscured or altogether replaced by politics as spectacle and entertainment, the very concept of a common good or political economic justice becomes ever more elusive. Nonetheless, the necessity of anti-capitalist, anti-austerity politics centered on the universal right to dignity and protections against market forces persists in spite of the obstacles.

40. Bruce Baker, "Exploring the Consequences of Charter School Expansion in U.S. Cities" (Washington, DC: Economic Policy Institute, November 4, 2016), 2, http://www.epi.org/publication/exploring-the-consequences-of-charter-school-expansion-in-u-s-cities/#_ref14.

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