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Inclusive Neoliberalism in Wilhelmsburg: The Role of the State and the Middle-Class in Hamburg's Majority–Minority District

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Abstract

The article examines the aftermath of the "Leap Over the River Elbe" urban development project in Wilhelmsburg, a majority–minority district located in the south of Hamburg, Germany. The project introduced several housing and development initiatives aimed at transforming Wilhelmsburg into an economically vibrant yet socially inclusive mixed district. The article draws on the literature of neoliberal urbanism, racial capitalism, and governmentality to critically examine why the urban development project in Wilhelmsburg failed to achieve genuine social inclusion. The article argues that this failure is not primarily due to the exclusionary behaviors of middle-class residents, as is often proposed in the literature, but rather the result of the urban planning by capitalist state and its market alliances. The empirical part of the article draws on interviews with 20 Wilhelmsburg residents. The study finds that middle-class residents without a migration background play an ambivalent role. They extend state control into local neighborhoods and migrant communities while simultaneously also challenging this control. Long-established residents without a migration background welcomed some aspects of the project, as they believed it countered the downward spiral of the district and them becoming a minority. For new incoming middle-class residents from other parts of the city, the project offered various incentives that made moving to Wilhelmsburg appealing. However, increasing marginalization has led many long-established residents and newcomers to voice their critiques of the project. This forced local authorities to rethink their approach to social inclusion.

Keywords

governmentality; majority–minority; neoliberal urbanism; racial capitalism; resistance; social exclusion; social inclusion

1. Introduction

Majority–minority urban districts in Western European cities, where residents without migration backgrounds are just one of several minority groups, have long experienced socioeconomic marginalization and segregation (Crul & Leslie, 2023; Sassen, 1991). To counter segregation, cities increasingly seek to include marginalized majority–minority districts into the broader urban economy through targeted investments and social mix initiatives (Uitermark, 2014). Such social mix initiatives tend to incentivize affluent middle-class residents to move into these districts (Chamberlain, 2022; De Koning, 2015; Mayer, 2016).

Yet, numerous scholars have noted that discussions about purportedly inclusive mixed urban districts tend to conceal structural and exclusionary power mechanisms on the ground (Blokland & Savage, 2016). Scholars have been particularly critical of newly incoming middle-class residents (Blokland & Nast, 2014). While these residents often express a certain appreciation for diversity (Tissot, 2014), research shows that they tend to isolate themselves from low-income neighbors (Jackson & Benson, 2014). Moreover, they use city boards and voluntary nonprofit associations to exclude others from positions of power (Tissot, 2014), favor policies that protect their property values (Holm, 2010), and shape the neighborhood in their own image, contributing to gentrification (De Koning, 2015).

This article takes a slightly different approach. It suggests that scholars of social mix tend to focus too much on the inclusionary and exclusionary attitudes and behaviors of the middle class. The argument presented here is that exclusion and displacement are not primarily driven by the affluent middle class but rather by the capitalist state and its market alliances.

The article focuses on the urban renewal plan "Leap Over the River Elbe" (Sprung über die Elbe), introduced in 2013 in the majority–minority district of Wilhelmsburg (Birke, 2013a). The district is located on the Elbe islands south of Hamburg, the second largest city in Germany. Wilhelmsburg is characterized by a mix of port, industrial, and residential areas. The district was described as "disadvantaged" due to decades of disinvestment and its high share of low-income, migrant, and working-class residents (Birke, 2010). The project promised to fundamentally transform Wilhelmsburg into an economically vibrant district (Arbeitskreis Umstrukturierung Wilhelmsburg [AKU], 2013). Under the rhetoric of inclusive social mixing, the "Leap Over the River Elbe" project introduced several housing and development initiatives to incentivize a more affluent German middle class to move to the district (Birke, 2013b).

The article investigates how state power has manifested in the everyday life of Wilhelmsburg residents. It examines how the state facilitates or inhibits inclusion and exclusion and explores the role of the middle class without a migration background. The article draws on the literature on neoliberal urbanism, racial capitalism, and governmentality to critically assess the interplay between the state, markets, and civil society. The central argument is that the social inclusion initiatives of the "Leap Over the River Elbe" project represent a state-led effort to make the district conducive to new forms of capital accumulation. Middle class without a migration background plays a more ambivalent role than typically noted in the literature on social mix. They extend state control into local neighborhoods and migrant communities while simultaneously also challenging this control.

The empirical part of this article draws on qualitative interviews conducted in 2020 with 20 Wilhelmsburg residents as part of the larger Becoming *a* Minority (B*a*M) project. The article contributes to the literature on social inclusion by examining the interplay between the state and civil society in producing forms of inclusion and exclusion in everyday life. The article concludes with recommendations for policymakers and urban planners aiming to understand and mitigate the unintended consequences of urban renewal projects on marginalized populations.

2. Neoliberal Urbanism, Racialization, and the State

The role of the state under neoliberal urbanism can be understood through two distinct phases: roll-back neoliberalism and roll-out neoliberalism (Peck & Tickell, 2017). Roll-back neoliberalism refers to the first phase of neoliberal policy implementation, which primarily occurred during the 1980s and early 1990s. This phase was characterized by the dismantling of the welfare state and the "Fordist" or "Keynesian" urban model (Brenner & Theodore, 2005; Mayer, 2017). The period emphasized market liberalization, privatization of public infrastructure, and a reduction in public investments in social housing (De Koning, 2015). According to Harvey (2007), this phase of neoliberalism was fundamentally about the reassertion of class power. The elite, consisting of wealthy individuals, corporate interests, and financial institutions, worked to dismantle the regulatory frameworks and welfare state provisions that had constrained their power under Keynesianism.

The reassertion of class power means that urban spaces are increasingly shaped by the interests of the elite, further marginalizing low-income residents and deepening spatial inequality (Uitermark, 2014). When public housing is disinvested, remaining affordable housing tends to be concentrated in poorer areas. These areas often become pockets of poverty, with limited access to quality services, education, and employment opportunities. With fewer affordable housing options available, residents have limited mobility to move to areas with better opportunities and amenities. This situation traps them in segregated neighborhoods, creating social boundaries (Lamont & Molnár, 2002). Wacquant (2010) describes this as "punitive containment," offering relief not to the poor but from the poor. Disinvested areas often experience an increase in policing and surveillance. The capitalist state allocates resources not to improve living conditions but to prevent the spread of disorder to more affluent parts of the city.

Scholars of racial capitalism (Melamed, 2015; Robinson, 2020) have argued that capitalism is not solely about class power but also involves racial differentiation and exploitation that exist independently of class relations. Historically, the capitalist state and its market alliances have produced and maintained racialized residential segregation through practices such as exclusionary zoning, redlining, and blockbusting (Rothstein, 2017; Trounstine, 2018).

Under roll-back neoliberalism, racialized residential segregation facilitates the accumulation of capital through a process known as environmental racism (Pulido, 2017). Property values in peripheral urban districts with a high proportion of racial minorities are allowed to deteriorate, making these areas more affordable for undesirable city functions like waste incineration plants, junkyards, highways, sewage facilities, and power plants (Gosine & Teelucksingh, 2008). This situation saves businesses and municipalities money on land and operational costs. Consequently, environmental risks are externalized to racialized communities while the property values of more affluent neighborhoods are maintained (Bullard, 2018).

However, as urban districts degenerate into zones of relegation, the state's authority is increasingly challenged (Uitermark, 2014). The dominant narrative is often about racial minorities isolating themselves into so-called "parallel societies" over which the state has lost control (Hinze, 2013). Non-racialized middle-class residents who live in or adjacent to segregated neighborhoods have protested against the placement of unwanted city functions and demanded more state support for their neighborhoods. Others have moved out ("white flight") or protested against immigration policies (Andersen, 2017; Seamster & Purifoy, 2021).

"Roll-out neoliberalism" describes the second phase of neoliberal policy, which emerged in the late 1990s and early 2000s. This phase involves the state taking an active role in constructing new institutions and frameworks to support and regulate the neoliberal agenda (Peck & Tickell, 2017). During this period, states aimed to make neoliberalism more sustainable by becoming more involved in addressing inequality, social exclusion, and economic instability. Craig and Porter (2005) describe this roll-out phase of neoliberalism as a shift towards "inclusive" neoliberalism. Local governments embraced new institutions and modes of delivery for social services, such as integrated area development, public–private partnerships, and social mixing (see Davies, 2011; Rhodes, 1996). These approaches often incorporate social policies that aim to include marginalized populations and their neighborhoods in the market economy within a neoliberal framework. From the perspective of racial capitalism, local authorities target ethnic enclaves for redevelopment because these culturally rich but economically poor areas hold potential for significant profit once integrated into the broader urban economy (Dantzler, 2021).

Governmentality research provides a useful lens through which to understand the shift in strategy from the containment of marginalized groups through segregation to a more active management of racialized urban districts through inclusion. Governmentality, a concept developed by Foucault (2007), refers to the various ways in which the state exercises power and governance over populations through a range of techniques, institutions, and strategies (see Bevir, 2011). In particular, Foucault's notion of biopolitics highlights how governmental power operates through the management and regulation of a population's bodies and lives. Strategies aimed at social inclusion can be seen as part of broader efforts to manage and optimize the productivity of the population in line with neoliberal objectives. Social mixing and the creation of mixed neighborhoods exemplify this approach (Uitermark, 2014).

Social mix is based on the idea that high concentrations of marginalized and/or racialized residents reduce overall social capital, limit access to diverse role models, and hinder social mobility (Blokland & Nast, 2014). The logical counterpoint to the concentration of low-income and racialized people has been the movement of higher-income earners and educated middle-class residents into these areas (Chamberlain, 2020; De Koning, 2015). The result is not so much the immediate displacement of low-income and minority communities but a gradual shift in favor of a wealthier, often whiter population, under the rhetoric of social inclusion.

To detect demographic concentration in urban districts, states and local authorities are increasingly engaging in social monitoring and the systematic collection and analysis of neighborhood data (Pohlan & Strote, 2017). The state then controls the direction of urban development projects by setting regulatory frameworks, funding mechanisms, and oversight practices (Davies, 2011). Through these mechanisms, the state shapes the priorities of local authorities. These local authorities then orchestrate private investment through public-private partnerships, zoning laws, and housing policies to facilitate upscale development and social mix (Brenner & Theodore, 2005). These policies often involve the conversion of part of the social housing

stock into owner-occupied or luxury rental housing. Typically, they incentivize affluent middle-class residents to move into underdeveloped city districts with a high share of people with a migration background (Chamberlain, 2020).

3. The Role of the Middle Class Without Migration Background

Governance in neighborhoods requires the presence of a civil society that acts in alignment with, rather than against, the state. States, therefore, focus on cultivating local populations that possess the appropriate skills, values, and capital needed to become good and responsible citizens (Fraser, 2020). Middle-class households are particularly important, as they often embody respect for the state and can extend their influence into the local neighborhood (Uitermark, 2014).

By relocating affluent, typically white middle-class citizens into poorer migrant neighborhoods, the state and local municipalities attempt to reconfigure the neighborhood composition in a way that becomes more governable (Fraser, 2020). Drawing on Foucault, Uitermark (2014) highlights how middle-class residents act as agents, unknowingly disseminating dominant societal norms and values into local communities. Residents engage in a constant process of monitoring each other during daily interactions and routine encounters. The concept of the "panopticon" illuminates how this form of mutual surveillance leads, according to Foucault (2007), to self-regulation and the internalization of societal norms. The everyday practices and behaviors of middle-class residents can set standards that are subtly codified into local norms. They introduce work ethics, educational aspirations, consumer habits, and health-conscious lifestyles into migrant communities. In doing so, they help make the neighborhood more attractive to potential property market and real estate investors, as well as visitors and well-resourced residents (Uitermark, 2014).

The state might also form partnerships with existing local middle-class neighborhood associations to garner support for state-led urban renewal programs (Arampatzi & Nicholls, 2012). Long-established middle-class households often desire cleaner and safer neighborhoods and tend to have an interest in protecting their property values (Holm, 2010).

Yet, the middle class's role in reinforcing state norms and governance within local neighborhoods is ambivalent due to the contradictory nature of neoliberal urbanism itself (Harvey, 2007). Neoliberal urbanism increasingly leaves significant portions of the middle class behind (Mayer, 2016). The reduction of social housing, rising rents, and tenant evictions impact not only traditionally marginalized groups but also increasingly affect sections of the middle class that do not own homes (Mayer, 2017).

Various movements have sprung up over the years to protest against rent increases and cutbacks in public infrastructure, services, schools, and universities (Arampatzi & Nicholls, 2012). Some protest movements, especially those advocating for moderate reforms within the system, have been co-opted by the state (Mayer, 2016). Financial dependence and state surveillance have had the effect of disciplining urban grassroots-level associations and limiting the autonomy of community initiatives. The state employs numerous surveillance techniques, including yearly funding applications, self-evaluations, audits, and random site visits, to ensure local neighborhood associations conform with the normative and programmatic aims of the state (Arampatzi & Nicholls, 2012). Moreover, by co-opting the language of social justice, inclusive neoliberalism aims to neutralize potential resistance and garner broader public support for neoliberal

reforms. It adapts to and absorbs critiques to present market-driven solutions as the only pathway to a fairer and more inclusive society (Mayer, 2016). Other middle-class movements have remained outside the state's direct control. Various leftist organizations have challenged the fundamental inequalities perpetuated by neoliberal policies, advocating for systemic change rather than superficial inclusion (Birke, 2010).

4. Research Site and Methods

Alongside Berlin and Bremen, Hamburg is one of Germany's three federal city-states, and thus has the same political and juridical rights as other federal states. This means that the state's policies are always urban policies and vice versa. Hamburg frequently ranks among Germany's most segregated cities and exhibits stark socioeconomic disparities in income and demographic composition between its affluent northern part and its underdeveloped southern Elbe Island (Güntner, 2013). The Elbe Island is Europe's largest river island and is home to approximately 55,000 residents. The Elbe Island has an unemployment rate of 10.8 percent, compared to the city average of 5.7 percent (Statistisches Amt für Hamburg und Schleswig-Holstein, 2022). Historically and geographically, the Elbe Island is a collection of numerous islands, intersected by highways and train tracks.

The empirical part of this research focuses on Wilhelmsburg, the largest and most populated island with 47,600 residents. Wilhelmsburg is one of Hamburg's most deprived areas, characterized by its industrial past, poorly maintained housing, and working-class population (see Figure 1). In 2022, 23 percent of Wilhelmsburg residents received social transfers (Statistisches Amt für Hamburg und Schleswig-Holstein, 2022).

More than 60 percent of adults and almost 80 percent of youths in Wilhelmsburg have a migrant background. Around 32 percent did not hold a German passport in 2022. The demographic breakdown reveals a multifaceted community: 43 percent of residents are without a migration background, followed by significant Turkish (33.4 percent), Polish (5.9 percent), and Afghan (3.9 percent) communities. Other groups include those with Macedonian, Bulgarian, Serbian/Montenegrin, Portuguese, and Ghanaian backgrounds. Additionally, Wilhelmsburg has been a longstanding home to a significant Sinti community (Statistisches Amt für Hamburg und Schleswig-Holstein, 2022).

Wilhelmsburg has historically been a place where racialized groups, particularly Polish and Turkish workers, were exploited to do dangerous, precarious, and low-paid work at the port (Chamberlain, 2020). However, starting in the 1980s, Wilhelmsburg was increasingly exposed to the structural transformation of roll-back neoliberalism. This period was characterized by job losses due to deindustrialization, shipyard closures, and a lack of investment in public and social infrastructure. The housing stock was neglected, and the area's socioeconomic situation was marked by social segregation (Zukunft Elbinsel Wilhelmsburg, 2012; Zukunftskonferenz Wilhelmsburg, 2002). The city attempted to locate several undesirable functions there, such as a highway and an incineration facility (see Zukunft Elbinsel Wilhelmsburg, 2012). Concerns about the perceived out-movement of middle-class families also frequently arose. Young families with children, in particular, decided to leave rather than send their children to Wilhelmsburg schools (Birke, 2013b). The local media portrayed Wilhelmsburg as dirty, noisy, and dangerous (Birke, 2013a).

The roll-out phase of neoliberalism began in 2002 when the Hamburg Senate introduced the "Metropolis Hamburg–Growing City" strategy (AKU, 2013). Developed in collaboration with McKinsey's consultancy, the

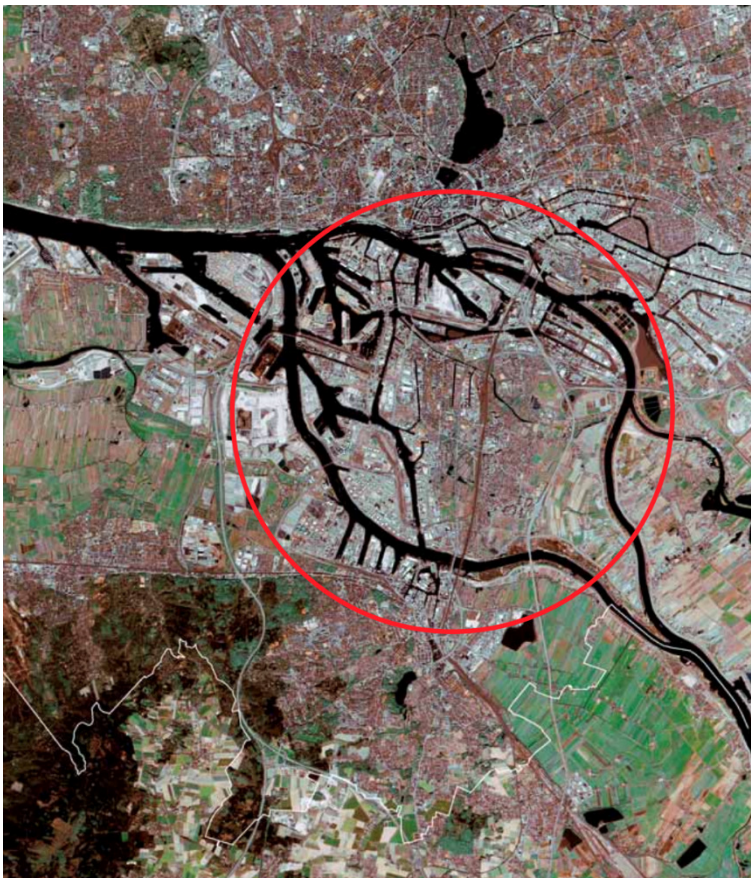

Figure 1. Hamburg's Elbe Islands (Wilhelmsburg is the largest Island).

strategy aimed to position Hamburg as an internationally recognized metropolis (Birke, 2013b). Its focus was on fostering urban expansion and economic growth. As part of this overarching development strategy, the "Leap Over the River Elbe" initiative was launched to expand the city southwards. This initiative aimed to revitalize the deindustrialized districts of Wilhelmsburg. The project sought to develop new concepts for socially inclusive, mixed-use, and sustainable green buildings to significantly enhance the district's image.

The "Leap Over the River Elbe" initiative included major projects like the Hamburg International Building Exhibition (IBA Hamburg) and the International Garden Show (IGS). The IBA and IGS were either entirely or mostly city-owned but operated like private companies with their own budgets, enjoying relative independence from parliamentary political decision-making (Birke, 2013a). The IBA Hamburg, initiated by the city's chief planning director and spanning from 2006 to 2013, was managed by a public-private partnership that included 140 influential private and public entities, as well as unions, chambers, institutions, and individuals. The IBA was provided with 120 million euros in public funding, supplemented by nearly 1 billion euros of private investment. These projects included significant construction efforts, housing renewal, educational investments such as improvements to district schools, and upgrades to local infrastructure, like park renovations (Birke, 2013b).

The empirical data collection process for this article was part of a broader BAM research project, focusing on residents without a migration background living in majority–minority districts. In 2020, semi-structured face-to-face interviews were conducted with Wilhelmsburg residents. In total, 15 residents without a

migration background and 5 residents with a migration background, aged between 24 and 65, were interviewed. The primary sampling method was based on random walks through the district. Residents were approached mostly in public spaces around the Reiherstiegviertel, where most newcomers have moved in. Additionally, local pubs, cafes, and the university campus were visited to reach long-established residents and students. Snowball sampling was also employed to reach a wider range of individuals. The interview guide aimed to capture a wide array of themes related to the larger BAM projects. Each interview was divided into several sections focusing on various attitudes and behaviors related to ethnic diversity, interethnic contacts in urban spaces, perceptions of national identity, and personal experiences during teenage years. The data was then analyzed and coded using thematic analysis.

5. Findings

5.1. The Long-Established

Residents describe Wilhelmsburg as a welcoming community with close-knit social network structures. Due to its island character, Wilhelmsburg provides a sense of belonging for many residents. There are several local pubs where long-established residents without a migration background have been gathering for decades. Angelika (54), who was born in Wilhelmsburg and works in a local pub, describes it like this:

> If an older regular guest, for example, doesn't show up for three days, even though he usually comes every day, then it's a red alert. So we follow up, we ask questions to make sure he's not rotting away in his apartment. We have the phone number and we all exchange it. It's taken care of. I think that's very nice about Wilhelmsburg.

There are also forms of convivial togetherness between long-established residents with and without a migration background that have emerged since the 1960s. The concept of conviviality, which Gilroy (2004) describes as the everyday coexistence and interaction that normalize diversity, has naturally evolved in Wilhelmsburg over time. This is also related to notions of public familiarity, where people's sense of recognizing and being recognized in local spaces affects their sense of belonging to a particular place (Blokland & Nast, 2014):

> If you want you can get to know people here very quickly because it has just this village character….It has become quite natural, there are days when things feel very mixed. This happens especially when people who know each other…families [with migration background] from the area, come with their entire circle of friends, or when schoolmates who grew up together meet. (Stephan)

However, opportunities for diverse social interactions are shaped by housing disparities and deep-seated structural and racial biases. Wilhelmsburg is still highly segregated across various groups. Differences in housing situations largely depend on when groups arrived in Wilhelmsburg and the specific housing policies in place at the time. This has often pitted many groups against each other. Stephan (57), from the local left party, puts it like this:

> The problem is that somehow most people from Eastern Europe live squeezed and are exploited. So the groups here stay relatively private. There are always people who build the bridges, but many

> communities are limited to themselves. You just get together when there are celebrations or any kind of events. But that people say: "I go there or there"—that does not really exist. I don't know why this is so, but certain groups tend to stay together. There are of course nice people with whom you would like to drink [at a] cafe, but the groups mix rather rarely….Then I also deal with racism that comes from migrants. They say shit fascists, but in the same sentence they also say "gypsies" and other insults against Kurds and sometimes to black Africans. So every ethnic group here cultivates its own racism.

Wilhelmsburg has historically been a Social Democratic (SPD) stronghold (AKU, 2013). Long-established middle and working-class residents without a migration background generally vote for the Social Democrats or the Left party. Yet, in the 2001 Hamburg elections, the anti-immigrant right-wing Schill Party won 34.9 percent of the vote in Wilhelmsburg and 19.4 percent of the vote Hamburg-wide (Zukunftskonferenz Wilhelmsburg, 2002). As noted by Chamberlain (2020), the high vote count was partially due to the fact that residents without a German passport are not allowed to vote in Germany. The shift to the political right occurred during the roll-back phase of neoliberalism when the island suffered from deindustrialization and disinvestment in public infrastructure and housing. During this phase, Wilhelmsburg experienced increased out-migration of German middle- and working-class families. Susane (59), a long-established resident and local bartender, explains how this out-migration of Germans without a migration background has affected the local economy to this day:

> It is very difficult. Politicians also have to take more care of the district. I don't think it should always be approved that the shops are not German but foreign. We have four greengrocers and six mobile phone shops on the corner and that just doesn't work….There is no butcher anymore. The only German snack bar is closing now. There is no shoemaker anymore. All the small businesses that used to be German are all gone. They are only taken up by mobile phone shops or quite a lot of cultural associations. And I don't think that's a good mix. That is my personal opinion. And what can you do about it? Yes, what should you do if the people, the German people, simply don't have the money anymore. Well, it used to be a port district. All the port workers who brought the money in are gone. I don't know what can be done. Other people who are paid properly for this should think about it.

During a community event in the 2000s, several social workers, doctors, teachers, and politicians demanded intervention by the city-state (Zukunftskonferenz Wilhelmsburg, 2002). Long-established middle-class residents were fed up with the political neglect of the district and the city's continuing attempts to locate undesirable functions there. The "Leap Over the River Elbe" urban development program, launched from 2006 to 2013, was consequently welcomed by many long-established middle-class residents.

One of the underpinning ideas of the project was the notion of social mix. The idea was that the arrival of higher-income earners and educated middle-class German households would improve Wilhelmsburg (Bayer et al., 2014). Michael Sachs, the former housing coordinator of the Hamburg Ministry of Urban Development and Environment, explains in a volume on social mix practice in Germany:

> Essentially, it's about choosing socially-competent renters who are able to pay the rent, and who have the recognizable skills for neighborly life. If one understands these competencies as middle-class virtues, then it's about bringing middle-class elements into difficult neighborhoods. (Sachs, 2012, p. 409, as cited in Chamberlain, 2020).

Hamburg utilizes social monitoring and neighborhood statistics to identify urban districts that require social mix interventions (Pohlan & Strote, 2017). Beginning in 2005, Hamburg implemented a policy of social mix in publicly owned rental housing in Wilhelmsburg. Adanali (2013) notes that a significant portion of Muslim residents and nearly half of those with Turkish origins reside in publicly owned rental housing. The distribution of social housing in Wilhelmsburg, although not detailed statistically, correlates highly with areas where migrants are predominantly located, such as Reiherstieg and the high-rise neighborhood Kirchdorf-Süd (shown in Figure 2; Güntner, 2013).

Adanali's (2013) research found that public housing corporations in Wilhelmsburg favored families without migrant-sounding names. This approach aimed to diversify the neighborhood's social makeup. Despite anti-discrimination laws in Germany, an exception exists in housing based on ethnic background, allowing for differential treatment to foster a socially and culturally diverse environment. According to Adanali (2013), rather than following clear, formal criteria, housing workers could subjectively judge whether new applicants for an apartment would risk contributing to segregated or "ghettoized" areas in Wilhelmsburg due to their ethnic background. Ironically, as Chamberlain (2022) points out, districts like Wilhelmsburg have historically been ethnically diverse, in contrast to the much more homogeneous "whiter" neighborhoods in the north of Hamburg.

5.2. The Newcomers

One of the earliest social mix interventions to counteract concentration was a subsidy program to attract students to Wilhelmsburg. This program offered students below-market rents for new rentals in specific areas. The state provided landlords with additional compensation and security guarantees. The program applied to apartments with more than two bedrooms, promoting shared student housing (Birke et al., 2015).

Figure 2. Kirchdorf-Sued.

The encouragement of students to occupy apartments that could house families is linked to exclusionary displacement, wherein people lose access to the types of units they would have previously been able to rent (Hohenstatt & Rinn, 2013). Moreover, landlords, keen on maximizing their returns, often favor students sharing flats over families. Flat sharing enables students to pay higher rents, which are often unaffordable for low-income families (Miessner, 2021). Sebastian (32), a student who came to Wilhelmsburg a few years ago to live in the Reiherstiegviertel, explains:

> I mostly moved here because it was much cheaper. I live in a nice old building. I didn't know Wilhelmsburg before, I just heard about it and everyone always advised against Wilhelmsburg…it's such a dangerous place and all that….More and more students moved here, it was also pushed by the city, as housing offers were made especially for students so that they could live very cheaply.

Convivial togetherness between newly incoming students and long-established residents with migration backgrounds can be observed along Veringstrasse in the Reiherstiegviertel (shown in Figure 3). This street has one of the highest concentrations of student-shared housing in Hamburg while also offering a thriving local economy with street markets run by many people with migration backgrounds (Chamberlain, 2020). The street is characterized by its blend of traditional and contemporary establishments, from Turkish bridal shops and betting offices to a bicycle manufacturer and an organic burger restaurant. Through their daily interactions, students and middle-class residents may adopt certain cultural practices, cuisines, and traditions from migrant communities, reflecting a form of cultural exchange and mutual influence (Hannerz, 1990). Anna (24), who moved to Wilhelmsburg for her studies, puts it like this:

> There are these moments, you know, when you try something new, something that someone from a completely different culture suggests to you, and it's just great. It's like, you get new perspectives, you see the world a little bit differently. And the food is a big thing too, so many different tastes, it's really enriching.

The "Leap Over the River Elbe" initiative utilized a festival format to promote and transform the Wilhelmsburg district into a "creative quarter" (Birke, 2013a). This approach involved leveraging the power

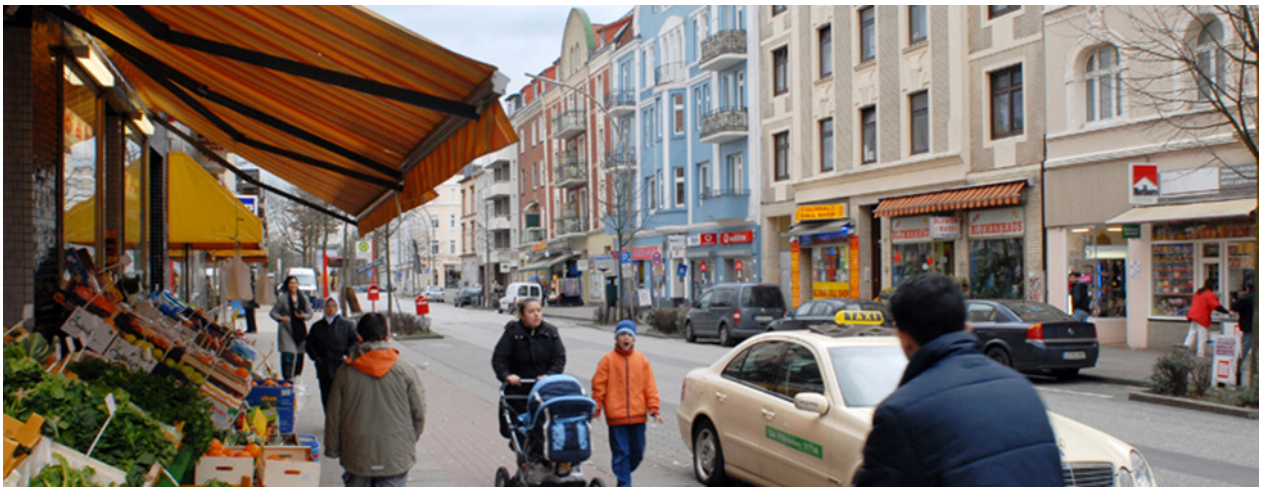

Figure 3. Veringstrasse, Reiherstiegviertel.

of cultural and artistic events to foster urban regeneration. Laura (31), who works as an event manager for a local Wilhelmsburg festival, puts it like this:

> Things are going well during the festivals and people get along with each other, but then it doesn't last any longer. It's such a wishful thought that you can bring the neighbors together in such a way that it lasts somehow permanently.

It has been pointed out that this form of cosmopolitan engagement often remains selective, focusing on aspects of a culture deemed interesting or enriching, such as food, music, art, and fashion, without confronting or addressing the inequalities or conflicts that may exist between cultures (Birke, 2013a). Thus, while there is a degree of cultural mixing, it does not fundamentally alter the power dynamics or racial hierarchies that underpin the broader structure of neoliberal urbanism.

In a process called studentification, students and young academics often contribute to an early-stage gentrification process (Nakazawa, 2017). They introduce new consumer tastes and lifestyles into the neighborhood, often catered to by trendy bars and cafes. As social spaces of privilege, these establishments often covertly marginalize and prevent individuals without the necessary resources from accessing them. Sarah (36) points out:

> I could say where people with a migrant background are less likely to be found. That is in those new, chic cafes in Wilhelmsburg because they are more expensive. I wouldn't go there if I wanted to meet someone.

When asked about his contacts with residents with migration background, Sebastian (32), a student, reflects on the difficulty of forming lasting contacts across difference:

> I think it has a lot to do with class. I come from the middle class. Mostly not migrant and mostly white. The University is also mostly not migrant. I think that's particularly common in the middle class. That you somehow don't get in touch because you simply have a different lifestyle. People who live differently talk differently, have different hobbies. And of course you go to different parties, especially in Wilhelmsburg.

Yet, despite the lack of sustained contacts, residents are in a constant process of monitoring each other during daily interactions and routine encounters. In line with Foucault's concept of biopolitics, middle-class residents introduce educational aspirations, consumer habits, and health-conscious lifestyles into migrant communities, thereby stabilizing the dominant social order. Mo (32), a migrant from Egypt who arrived in Wilhelmsburg in 2014, observes the different way of life that many German middle-class residents follow:

> The German lifestyle is quite different from that of foreigners. I appreciate it because they care a lot about their health, sleep, and maintaining routines, even on holidays.

The IBA Hamburg and the IGS were launched in 2006 and culminated in 2013. The initiatives primarily targeted affluent newcomers. As noted by Chamberlain (2020), the numerous publications related to these events reflected a "quasi-colonial gaze that treated the Elbe Island as a blank spot on the map of Hamburg, which is now a matter of discovering."

The IBA presented various construction projects, including the modernization and partial rebuilding of a set of 1930s buildings. The IGS transformed 85 hectares in Wilhelmsburg into a landscaped park, intended to attract visitors and reintroduce the area as part of Hamburg. Both projects reflected deliberate attempts to make the district more appealing to ecologically conscious middle classes and outside visitors (Birke, 2013a). Andreas (47), who recently moved to Wilhelmsburg, expressed it this way:

> My first impression was that of a great neighborhood. You know, beforehand…well, Wilhelmsburg always had the reputation that it was the very last district. And it's actually shedding that reputation now….So, nobody wanted to move to Wilhelmsburg 20 years ago, or even ten years ago. And now….I was pleasantly surprised. It's a very beautiful green island, nature-wise. There are many beautiful hidden spots where you can spend a great time. And also, regarding the foreigners….I didn't notice them at all at the beginning.

5.3. The Marginalized

Various non-homeowning middle-class residents and residents with migration backgrounds have expressed concerns about rising rents due to the renewal project (AKU, 2013). While the IBA provided a forum for citizen participation to allow people to express their opinions, a major local critique was that the forum was more about state co-optation and the production of social acceptance than actual participation. The IBA used its community participation forum, attended by local associations and organizations, to legitimize its prestigious building projects rather than genuinely addressing the residents' concerns (Birke, 2013b).

The superficial engagement with residents weakened local resistance by draining community members' time and resources without addressing their real concerns. Additionally, the IBA was perceived as shielding political bodies from accountability, as criticisms were often redirected away from the true political nature of residents' grievances (Chamberlain, 2020). Many longtime residents felt alienated from a political process that appeared predetermined and biased toward the interests of the wealthy and powerful, who had closer ties to political decision-makers (Birke, 2013b).

A significant protest movement outside of direct state influence was organized by leftist activists from the AKU (2013). The AKU is a politically diverse, non-state-funded association organized by a dozen university-educated activists. The network collaborated with several different groups in the district, such as the local church community, the Tenants Help Association, a social advice center, as well as several local artists and groups within the autonomous spectrum (Birke, 2013b). The AKU was part of the larger international and Hamburg-wide Right to the City network, consisting of over seventy different associations and organizations. Inspired by the philosophy of Lefebvre (1996), the Right to the City network is particularly known for its stand against gentrification and its advocacy for radical democratic reforms centered around the creation of urban spaces for self-governance. The AKU aimed to broaden the scope and themes of the Right to the City network to incorporate issues faced by the residents of Wilhelmsburg, a region often overlooked due to its remote location.

Birke et al. (2015), activist-researchers, describe the difficulty in mobilizing a broad coalition of marginalized middle-class and more traditionally marginalized residents. Substantial divisions among local residents in Wilhelmsburg reflect the hierarchies of visibility of different groups. Racialization and access to resources

position people quite differently. While the network is generally inclusive of people with migration backgrounds, these groups have rarely played active roles so far. Many local activists regard this as a strategic problem, complicating collective actions (Birke, 2013b). Many activists, frequently students or academics, self-critically recognize that their approach is sometimes considered highly theoretical and abstract, lacking practical, application-focused ideas for a broader audience. Additionally, differences in resources available for participation in self-organized networks contribute to the lack of widespread participation among residents without migration backgrounds. Sarah (36), who moved to Wilhelmsburg for her studies and then stayed as a social worker, points out:

> I once organized a group session for refugee women and non-refugee women and you noticed that the German women were there more consistently. The other women simply have a different cultural background and probably have different priorities. But that was a different target group and women in other cultures simply have completely different priorities and cannot move around quite as freely.

Moreover, racialized groups who challenge their exclusion often encounter indifference or intensified repression from the authorities (Mayer, 2016). This contrasts sharply with the experience of those involved in alternative and countercultural movements, who, because of their potentially marketable contributions to the city's cultural image, may receive concessions or offers of integration from city authorities (Birke, 2010). Nevertheless, the persistent critique from the AKU compelled city officials to refine their social inclusion criteria. The network forced local authorities to rethink their approach to social inclusion. As a result, the IBA adopted the motto "improvement without displacement," directly reflecting these pressures. The IBA did signal that housing should be viewed as a social good and offered extended periods of low rent. However, the changes brought by the IBA were limited. While they reintroduced a minimum of respect for vulnerable residents by preventing immediate displacement, the IBA's strategies inadvertently allowed for gradual, property-led displacement (AKU, 2013).

6. Conclusion and Discussion

This article argues that displacement is primarily driven by the capitalist state and its market alliances. The distinction between roll-back and roll-out neoliberalism highlights the constant reconfiguration of state power under capitalism. Under roll-back neoliberal policies, the state's role as a provider of public services diminishes. The primary strategy for dealing with marginalized groups becomes confinement through residential segregation and exploitation through the placement of unwanted city functions. However, this strategy has led to significant public backlash from both the wider media and long-established middle-class residents in Wilhelmsburg without migration backgrounds.

Under roll-out neoliberalism, the state finds itself compelled to correct these market failures by intervening more in social and economic life than neoliberal theory would traditionally prescribe. The " "Leap Over the River Elbe" " mega-project exemplifies the rollout of an "inclusive" neoliberalism in Wilhelmsburg. The project aimed to reshape local demographics through social mix initiatives designed to incentivize middle-class citizens to move in. This was achieved through student housing subsidies, social mixing in public housing, and the creation of privatized housing and commercialized green spaces in Wilhelmsburg.

Research on social inclusion can benefit from integrating frameworks on neoliberal urbanism, racial capitalism, and governmentality. These frameworks provide a critical lens for understanding why inclusive neoliberalism often fails to achieve genuine social inclusion. The notion of "inclusive neoliberalism," particularly in the context of privatized infrastructure is oxymoronic because the foundational goals and mechanisms of neoliberalism often run counter to the principles of social inclusion. The privatization of previously public spaces in the neoliberal city contributes to the exclusion of marginalized and racialized communities from these spaces as they demand certain economic capacity to gain access and to belong (Mele et al., 2015). In essence, inclusive neoliberalism attempts to create a facade of inclusivity and fairness while maintaining the fundamental market-driven principles of neoliberalism. As such, it helps to stabilize and legitimize the neoliberal project while masking the underlying power dynamics and economic inequalities.

The insights from Wilhelmsburg highlight the need for more equitable and participatory approaches to urban governance, challenging the efficacy of social inclusion strategies under neoliberalism. Policymakers need to recognize the failure of inclusive neoliberalism and consider an alternative pathway. A paradigm based on public and social infrastructure emphasizing universal access to essential services could serve as a counter-project against neoliberalism. Housing, healthcare, education, utilities, and food supply are the drivers of welfare (Russell et al., 2022). By treating these services as public goods rather than commodities, and combining this with localized ownership and control, it can be better ensured that all individuals, particularly marginalized or racialized minorities, have access to the opportunities and resources necessary for their integration into the societal fabric.

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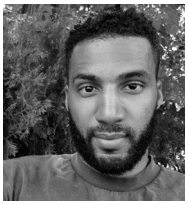

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