

The Brazilianisation of Britain's cities

The impact of globalisation on urban development

Part Two

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29 July 1999

The Blair government's Urban Task Force report, "Towards an Urban Renaissance", states that England's regions require regional capitals or groups of regional capitals that are economic and cultural powerhouses and display a strong European identity. This is in order to promote urban regeneration as the basis for increasing urban competitiveness. Strong local government is necessary by means of further devolution and regionalism, is the report's advice.

A Urban Task Force paper released earlier in the year, entitled "Sharing The Vision", advocates "the principal tiers at which decisions about urban areas should be made is at the level of the city or town, combining strong local strategic government with neighbourhood delivery and management." The head of the Urban Task Force, city planner Lord Richard Rodgers, adds: "Entering the post-industrial age brings with it radical change. The emphasis of the new global economic order is on strong city regions operating under huge competitive pressures."

But success is elusive for the city and region. Any regeneration efforts have to overcome the constant downward pressure of the world market and the footloose nature of inward investment. Not all cities can be successful; some might be, but only at the expense of others. For every winner there must be a loser.

The government would like to direct jobs and investment to Britain's northern cities in order to take the pressure off the southeast of the country. But regional planning is far more problematic in the era of the globalised economy. The north is much more dependent upon manufacturing and has been most adversely effected by the strong pound and the financial crisis that began in southeast Asia two years ago. Only one in ten of London's workers are employed in manufacturing, compared to a ratio of one in five in the north.

There are great differences between large cities in the north, some of which have lost their original industrial rationale. While some have been more successful in emulating cities in the south at attracting the new services and technologies that proliferate in the private sector, the industrial cities with mono-economies were slow to recognise the significance of the decline of the manufacturing sector. In periods of recession, companies tend to consolidate around their headquarters, so de-facto regional capitals like Leeds and Manchester have suffered less than Liverpool, Sheffield and Glasgow. Sheffield, for example, has lost approximately 60,000 jobs in manufacturing in the last 20 years.

Britain's manufacturing is fighting for survival in the global economy. Order books are empty and there is little sign of an increase in demand at home or in export markets. The Confederation of British Industry predicts another 100,000 manufacturing jobs will go by the end of 1999. Most

redundancies are expected in sections of the economy that are most exposed to global competition and are reliant on export markets or threatened by cheap imports, like steel and textiles.

In Newcastle, one of the largest profile employers, Siemens, closed a £1 billion semiconductor plant in the wake of the Asian crisis last year. Job losses are expected to reach 3,000 once lack of demand hits suppliers too. Nationally, factory jobs fell by 45,000 in the last three months. Low pay, low skill, and flexible contract jobs in retail, entertainment and call centres have replaced them. A city without jobs that pay decent wages cannot be regenerated, other than in a superficial manner. And the government can no more guarantee well-remunerated work and adequate investment for a certain region, in the age of global competition, than King Canute could stop the tide advancing.

The southeast of the country currently enjoys the benefits of being intrinsically coupled to those forms of investment that bring the best profit margins, through specialised products and services for a worldwide market. This is exacerbating the already protracted disaggregation of the British economy between regions and furthering disparities of income and employment. London is the driving force behind the success of the southeast. Its growth rates are far above the national average, largely because business and financial service employment provides jobs for a higher proportion of the population. It could almost be said that London breathes a different supply of oxygen to the rest of the country. Its economy enjoys effective autonomy from the rest of the nation, whose growth rates are sluggish due to a reliance on industry.

The strength of the pound has effectively priced British goods out of many export markets, simultaneously drawing in inexpensive imports. Whilst the overpriced currency causes job losses and depression in northern areas, the wealthy in the south are blissfully unaware of what all the fuss is about. Britain's rich have barely noticed the continued recession affecting large numbers of the population. The *Financial Times* recently reported that never has so much cash been splashed out on champagne and sports cars than in the last year.

London's economy is far less tangible, consisting of insurance, computers, software, expertise, legal and financial services. However, the greatest paradox, which defies simplistic north/south analysis and underlines the two-tier nature of the service economy, is the fact that London has some of the highest poverty rates in the nation. Tony Travers from the London School of Economics described the injustice thus: "Some areas with the highest unemployment are a stone's throw away from areas with the highest employment rates."

The report's recommendation to create regional capitals reaches its

climax in a call for British cities to emulate the model of Barcelona. A veritable cult of Catalonia is emerging. Lord Rodgers urges British cities to learn from the example of the Mediterranean city, claiming that the Catalan capital is a more egalitarian and well-functioning place due to its radical facelift.

It is not simply the merits of beautiful design and architecture (much of it courtesy of the artist Gaudi) that endear Barcelona to the planners. Neither is it the attractive boulevards and café culture. More fundamentally the reason the city inspires British planners and the task force is the region's semi-autonomous status inside the nation of Spain. Catalonia is increasingly a nation inside a nation. Anecdotal evidence suggests that Barcelona feels less and less like a Spanish city to the general public. The editor of *Granta* publications wrote in the *Independent* newspaper in April that "Catalonia is to Madrid what Scotland will soon be to London: a semi-autonomous province within a kingdom that is no longer quite so united."

It is fitting that Barcelona-based architect, Enric Miralles, has designed the new Scottish Parliament. The parallels are echoed in an advertisement campaign presently running in Glasgow, the venue for this year's City of Architecture and Design symposium—"Glasgow, the lattitude of Smolensk, the attitude of Barcelona." Scottish nationalists point to Spain's "asymmetrical federalism" as a desirable model because it grants considerable authority and autonomy to Catalonia, more so than to other Spanish regions. Currently cities like Manchester and Leeds are planning "Barcelona projects" for cultural consumption. How much longer before they are adopting the "Barcelona model" for their own devolved regional ends?

England's provincial cities do not yet quite share Scotland's political ambitions, but they do resent London's political, cultural and economic power. Regionalism will get an enormous boost as the government continues its plans for regionally devolved assemblies and councils with accompanying budgets. Added to this, the task force recommendations for further autonomy is a recipe for unleashing the most damaging regional sentiments and aspirations.

Barcelona inspires them because it is a provincial city in the throes of becoming a more powerful rival to Madrid—the Spanish capital. But beyond its shiny new city centre, Barcelona is still ringed by desolate highrise developments where workers reside and unemployment is above the European average. This donut-style city is ironically very similar to Glasgow. In France these peripheral located slums are known balefully as the "rings of fire" due to their reputation for poverty and civil disturbances.

The competition between cities has already begun in earnest. Cities have become salesmen for themselves. All the major cities in England, and not a few of the smaller ones, who wish to emulate their larger rivals have already embarked in the last decade upon regeneration campaigns. Not one of them has reduced the incidence of poverty and inequality inside their boundaries or reduced social and spatial segregation.

The realisation that regional economies are no longer linked through the production process to other regions in the same nation-state has acted as a spur for cities to establish their own relations with international capital and to lobby independently for European Union financial aid. By offering their regions as cheap labour stations, they are capable of tapping into the rich vein of foreign direct investment from around the world. This intensifies inter-regional and international competition to attract capital. The battle for investment and jobs engages the city in a ruthless war against its rivals, where the weapons are booster crusades, tax breaks and incentives for international finance. This must be paid for through cuts in social services and attacks on social conditions and living standards.

Museums, sporting facilities and events, airports, hotels, exhibitions and conference areas are constructed because they are the "quality of life" structures the "cosmopolitan" global investor expects if they are going to

make an investment. Liverpool and Birmingham are contemplating the building of skyscrapers to raise their international profiles. The construction of such a symbolic project will cry from on high, "Look at me! Invest in me, not my rivals!" Cities frequently attempt to besmirch the image of other cities and steal "landmark" prestige projects before construction, in order to gain advantage in terms of image.

A war of each city economy against every other—and by extension every city against its working class population—entails a relentless upbeat marketing of the city's image. The workforce is always skilled and responsive, and investment is always inward. Design consultants are employed to conjure up some pizzazz and to reinvent failing cities. Every city has "directors of regeneration", who would be more candidly described as directors of self-promotion. Publications are full of the ubiquitous business school language of "challenges" and "opportunities". A unifying, forward-thrusting theme is fabricated, a totem around which to rally the troops ever onwards and upwards.

The cities market themselves like a commodity in order to cut a niche. Councillors and business leaders from the northern port of Hull have just got back from a visit to Brooklyn, New York to pick up tips about urban regeneration. One shudders to think of the advice they received from the Guiliani administration.

Sir Norman Foster, the eminent architect and planner, has been brought on board to add his expertise to Hull's campaign. The lengths to which city promotion campaigns will go know no limits. This month billboards around the country were plastered with the glitzy new campaign for Swindon, currently a booming town in the southeast. The Wiltshire town displayed its fierce ambition to become a new city with posters that make it appear like a modern-day Shangri-La. The ads remind one of the way the Land of Oz appears to Dorothy at the end of the yellow brick road, all heavenly sunbeams and angelic choirs. In the foreground of the ad are two Honda cars and a message that reads, "Swindon. For a better quality of life".

Honda has paid for the ad campaign in return for the local council allowing the company use of the town's coat of arms. The firm faces the dilemma of an inability to fill 1,000 vacancies at its assembly plant. The sharpest criticism for the campaign has come from neighbouring Reading, which shares Swindon's location on the M4 corridor. Both towns share the aspiration of achieving city status. Towns living in the shadows of big cities wish to forge themselves an independent image and are fighting to receive a royal charter in the next year. They all want the status of being titled the "Millennium City" to add some glamour to their future campaigns. Milton Keynes, in existence for only 32 years, has commissioned a poem to further its cause, but it is Swindon that has stolen a march on the competition with the announcement of an extra £450 million investment by Honda. City status is eagerly coveted because it is seen as a panacea for courting foreign investment. No location wishes to appear small-time when the rewards are so big and second best means nothing.

The very same day as the Urban Task Force report was released, the government's showpiece Millennium Village project at Greenwich in south east London, with which Rodgers is involved, was thrown into chaos. This has direct implications for his urban recommendations. Rodgers has made it clear he wishes to encourage private finance and entrepreneurs into the inner cities. He has said it is these go-getters who will rescue the districts. He calls for "A new generation of urban champions, private sector promoters, social entrepreneurs to help communities grow in social and economic strength."

Reliance on market forces will only exacerbate social tensions. Business is not an altruistic operation. The developers lauded by Rodgers are not interested in issues of equality and justice. They intend to create cities out of which more money can be made.

The main architect for the Millennium Village resigned, claiming

conservative forces in the building and development fraternity undermined his designs. The homes to be constructed were supposed to pioneer steel and prefabricated concrete construction methods, eliminating the need for environmentally damaging traditional brick.

But the fundamental schism occurred over the “social mix” of the housing. The architects wanted private and rented housing to appear indistinguishable, to be side by side in an ostensibly egalitarian mixture. Developers and planners argued against these plans, asserting that the people they wished to attract to the privately owned homes, people of a certain income bracket, would not want to live amidst the *hoi polloi*. The contract for the prestige project was won partly on the merits of the supposed progressive “social mix”, whereby high earners would reside alongside lower income families in rented accommodation. Now it comes to the crunch the private developers are going back on the deal. Private finance hasn't put this much money into the project just to see slower profit generating social housing lower the tone. They want to eradicate all traces of the lower income residents from the core of the project and isolate them on the development's edge, closer to the main thoroughfares, traffic, pollution and noise. And this when there is only 200 such residences planned on the estate, out of a total of 1400 homes. Architects pay lip service to “social mix” regulations, but in many London boroughs planners prefer to pay the relatively small financial penalty for not integrating an element of social housing into newly constructed developments.

Rodgers himself is the head of an architects practice that has designed a £38 million 20-storey apartment block on the banks of the Thames. Montevento Towers contains some of the most expensive apartments in the country; property ranges from the basic £200,000 flat to £4.5 million penthouses. Residents will enjoy private tennis courts, a gymnasium and sauna, undisturbed by the council house residents who live in the shadow of the towers, kept out of the grounds by a state of art security system. This is rich, coming from the man who advocates in Urban Task Force publications the end of social segregation and exclusion. Future urban development should “encourage social cohesion to prevent growing concentrations of excluded or marginalised communities”, according to Lord Rodgers of Riverside.

His hypocrisy is totally in keeping with the orthodoxy of governmental “social exclusion” theory and rhetoric. Emphasis on “social exclusion” implies that the problem of the poor is a uni-polar dynamic—the poor are poor because they have a deficient culture and therefore fail to access existing ladders to social mobility. They are not poor because of a systematic process of wealth redistribution over the last two decades, away from workers towards the very rich. An honest assessment would characterise the dynamic as bi-polar, addressing the broader social context of rapidly accentuating divisions across society, from top to bottom, in all spheres of life. This assessment would define developments in terms of social polarisation, rather than simply exclusion. The stress upon ending social exclusion always falls upon the actions of the poor doing something for themselves. Cabinet ministers are unlikely to descend upon the gated communities of the rich and famous and give them a lecture on exclusion and inequality, or berate them for their insulated wealthy lifestyles and love of private provision.

In London's Docklands, a whole new mini-city of gated apartments has arisen along the banks of the Thames. Apartment blocks stand with their backs turned on the impoverished communities that surround them. Each block exists in a constructed and policed sterile zone. The locals who reside in public housing nearby are not even allowed to park their cars near the walls of the developments. Demand for this style of living has risen along with the numbers of rich people in the country. In the last decade the number of people with annual incomes above £100,000 has risen five-fold. The desire of the rich to secure exclusivity for their places of residence is propelled by abhorrence towards those who can not afford

such lifestyles. The proliferation of gated communities and CCTV is emblematic of social classes that fear and despise the world and its inhabitants outside. The more their lives are removed from those of the population at large, the more these layers become desensitised and indifferent to the condition of humanity. The market for security gates is rising by 25 percent per year and for CCTV systems by 30 percent per year. These are the new “stylish” moat and portcullis for the 21st century bourgeois urban castle.

Tony Blair promised to do away with the symbolically loaded “Thatchergate” security entrance to 10 Downing Street, on his coming to power. It still stands today, a symbol of the administration and its isolation from the electorate. The more his government talks about “inclusiveness” and accessibility, the more cities become exclusive and inaccessible. Rodgers' call for the reintroduction of the middle classes back into the city centres through a process of gentrification and modernisation is not accompanied by a similar call for the movement of working class people in the opposite direction—to live in the comfortable suburbs. If the government are successful in gentrifying inner-city areas, it would lead to rises in property and land prices and the likely expulsion of the poor. The re-zoning of cities throughout the world is known as “Brazilianisation”, as it mirrors the South American nation's privatisation of public space and pernicious division of housing and lifestyle between the minority rich and the rest of the population.

The fuelling of a speculative land market would mean more London properties being bought by the upper middle classes as second homes and investments—especially as the council tax on a second property is half that levied upon homes occupied all year round. Presently there are an estimated 400,000 homeless people in the UK while the number of households reporting a second home is 760,000.

The promise of massive profits to be made in the inner cities has not been lost on developers, who have wised up to the allure of a “downtown” residence (In the “funkiest” area, of course). The Berkeley group of developers who specialise in city centre properties have just released their yearly report. The average price of one of their developments is £232,000 and they expect their sales to increase by 15 percent in the coming year on their exclusive housing developments, along with accompanying “lifestyle”-appropriate shopping and restaurant outlets.

One of Blair's most respected Downing Street advisers, Charles Leadbetter, has recently released a new book entitled *Living on Thin Air*. Peter Mandelson one of Blair's closest allies, said the book, “sets out the agenda for the next Blair revolution.” In it Leadbetter calls for more “earmarked local hypothecated taxes” and “social capital banks” to renew rundown areas. Local hypothecated taxes are an American inspired innovation. They involve Business Improvement Districts (BIDs), in which a group of private property owners raise an additional tax to provide supplementary services within their area—a shopping area or town centre perhaps—rather than local authority taxation being spent on the development needs of the entire city or town. Why, after all, would BIDs wish to pay for the upkeep of a rundown area? In America the introduction of BIDS has been coupled with a reduction in the direct tax burden upon businesses.

Blair's recent vitriolic attack on the inflexible “dinosaurs” in the public sector leave no doubt as to how seriously he takes the arguments in Leadbetter's book. The next Blair revolution for public provision will consist of a further squeeze upon public spending, privatisation and competitive tendering of the public sector. Beyond the showpiece landmark constructions and the politicians' hot air, what does “Urban Regeneration” amount to other than further moves towards surveillance, military-style policing and social control? How else are they going to police growing inequality and social hardship? How can regional development agencies and local government who are determined to

promote economic competitiveness and attract inward investment meet the needs of deprived communities?

The so-called 24-hour city is simply commercialism spread over the entire calendar. Forcing the economy into the small hours is driven primarily by licensing and restaurant interests. Consequently it is targeted at those with money to spend. An area of high consumption is created for the same people who reside in the wealthy city centre enclaves. Impoverished inner-city estates, whose occupants can not afford to set foot inside the new glittering emporiums, surround these oases of luxury.

There can be no genuine inner city revival under the present social set-up. Global economic competition leads to the impoverishment of the vast bulk of the population, while a small minority live in islands of fantastic prosperity. It is sobering to reflect that the areas in Britain's towns and cities that had the worst social and housing conditions at the turn of the last century are still, one hundred years later, the areas of greatest deprivation. Governments have come and gone, but urban rot continues to blight the lives of city inhabitants. Cities embody and reflect the social conditions and physical health of its inhabitants. A city's dire predicament is only a metaphor for those who reside within. Urban decay, after all is said and done, is a question of poverty and social polarisation. If urban life and infrastructure are disfigured and social relations fractured, then it is because unemployment, poverty and inequality have been allowed to fester and breed.

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