

## DIALOGUES: CITY+CRISIS INITIATIVE

### A CONVERSATION WITH ALI MADANIPOUR ON URBAN REGENERATION POLICIES

This is an edited transcription of an hourly conversation with Athena Yiannakou that took place on Friday 9 May 2014. To reproduce any parts of this transcript in any form please contact Grigoris Kafkalas at [gkafkala@arch.auth.gr](mailto:gkafkala@arch.auth.gr)



**Ali Madanipour** is a Professor of Urban Design, Newcastle University

**Athena Yiannakou.** It has been more than five years from the onset of the global financial crisis in 2008. What are in your opinion the main issues concerning the cities highlighted by this economic crisis? Is there one or more of these issues that you evaluate as most critical?

**Ali Madanipour.** The impact of this crisis has partly been the decline of public services and disinvestment in the weaker and peripheral areas, in cities and in regions, and therefore acceleration of some sort of an already growing social and regional inequality. Before the crisis, we had large transfers of public money to various activities and those have dried up. It has undermined the ability of public authorities to provide and maintain public services and it's given more priority to private sector investment. The private sector naturally wants to invest in areas where

returns are higher and they want to avoid areas that are badly hit or are not performing well.

So, this is why in the UK historically there has been a gap between the North and the South.

That gap is widening because public

investment has shrunk and private investment prefers the stronger economies of the South.

Of course, even within cities we can see that widening gap: prosperous cities of the South, London basically, have areas suffering from the same problem. So it's not entirely North and South, it is within the city regions as well and that's been fuelling gentrification and displacement. And all of this in the context of the biggest public investment in banks, in saving the banks.

**Athena Yiannakou.** Could you clarify a little what do you mean with the term public services and which are the most important ones?

**Ali Madanipour.** Well, the ones that the cities provide. And of course the ones that the national government provides. Those are hit as well. And those have implications for city life, of course.

**Athena Yiannakou.** Do you include public housing as well?

**Ali Madanipour.** Public housing is a long standing problem in the UK and now there is a housing crisis in this country as well. In the public services I include also museums, libraries, swimming pools, parks, public spaces and also welfare payments, unemployment benefits etc., and there is a constant talk about welfare reform. So those are the things that the public sector did and those are being hit and its impacts are that cities are suffering. When I say public services I mean all the services that the public funds provide.

**Athena Yiannakou.** Since the late 1980s, many cities which essentially suffered from an economic crisis (as a result of de-industrialization) developed a number of policies, institutions, practices and planning tools with the objective to change the image of these cities, to increase their competitiveness and to attract new development. What was in your opinion the role of these urban revitalization or regeneration policies and how would you describe the main features of these policies in the light of the current global economic crisis?

**Ali Madanipour.** Well, on the one hand they are based on speeding up the process of de-industrialization and paving the way for a

transition to a new service based economy. So they were part of the mechanism to make that transition. And in urban development it meant removing the remains of industrial decline in particularly designated areas such as waterfronts and the like, then reclaiming the land and offering subsidies to private investors, encouraging the development of a market in places where there was no market in land and property. So they changed the face of a lot of places mainly in central areas, they've added many vibrant new spaces and activities and also they worked to bring residential populations back to the city centres because they had left the British city centres. But the problem has been that these projects had been disconnected from their surroundings. That was from the beginning a problem that has remained. Socially and economically these places had been created but not connected as such. And the quality of the places that they've created is open to question. Not always the best of the qualities because weaker regions were desperate for investment. Any investment was welcome, so the quality of that investment was not what could have been expected. Already some of these projects are tired and in need of refurbishment, some of them in terms of aesthetics were really poor, corporate style, postmodern architecture out of fashion already, and a lot of good housing stock, on the other hand, had been cleared because of depopulation. The biggest example is Liverpool which lost half of its population and there are plenty of empty houses. And there are many new but empty apartments in city centres as well. So the shock is that all those changes were made to

bring some residential population back to the city, but housing development was speculative, only looking for upmarket clients and not for families or for low income people. And there was a collapse of the market, filled with an oversupply of apartments. Another problem is that these changes have been limited to central areas of cities. There is a huge industrial landscape that needs attention, but the money has run out and it is difficult to see when the money will be there to attend to those places. So a huge amount of money and effort has gone into these areas in the past 30 years. They've really improved some areas but the scale and the quality are not entirely satisfactory and the macroeconomics of shifting from industrial production to services is something else. Really these developments were just a little wheel as part of that process rather creating that process. But they were influential, they played their part in making that transition.

**Athena Yiannakou.** This brings me to the next question: Do you think that urban regeneration is the other side of a property led development or just happened to lead to a property led development? What were the effects upon cities of this development based on real estate? In your opinion, to what extent is this form of urban development associated with the current economic crisis? Is this oversupply connected and in what way with urban regeneration policies?

**Ali Madanipour.** Property led development and urban regeneration were very much overlapping, of course, because in regeneration one of its aims was to revitalize particular places. That means that there was investment in real estate development in those

places. Again if you look at the bigger picture there is a very clear link between this real estate development, the oversupply of real estate, and this global economic crisis in the sense that the whole crisis was partly based on the oversupply of credit, which then was searching for outlets and it was encouraging more and more people to borrow, to buy goods and services and to get mortgages and which could then fuel the property industry. And then people could not pay back the loans, and there was the crisis as you will know. So this triggered the system to collapse because the oversupply of credit was combined with the inability to pay back, which was the crisis point. So we have a large amount of empty space, in cities and elsewhere, particularly in weaker regions. In the south of England, in London, the demand for housing and for space is higher. But still speculative housing development, speculative spatial development, goes on. In the north there is a shortage of activity, and so if you look at British cities, some cities, up to 30% of their shops are empty. In London it was 10% and in some small cities up to a third of shops are empty. This was last year's statistics. Of course it changes. You can go on around the cities in Britain and you see empty places, empty shops. And that's the effect of the oversupply of space. When the economic activity shrinks then the space is just there without any use. Regeneration policies were based on the idea that public subsidy and private debt continue and they are there for ever more, and ever after. And they were assuming that these are sustainable but now they both have shrunk

and they are no longer possible, let alone sustainable.

**Athena Yiannakou.** So, would you give some merit to urban regeneration for this global economic crisis?

**Ali Madanipour.** They were part of the same system. Some of these regeneration projects have raised their money in New York's stock exchange. It's not unrelated. But it's far too much to say that these projects have caused that crisis. Without a doubt there is a connection. It was based on the idea of building space and then hoping to fill it with activity, rather than the other way round of encouraging activity which then generates demand for space. So that's driven by spatial development, and because spatial development is an essential part of the economy, then people think its expansion is good for the economy.

**Athena Yiannakou.** Let's come to a more practical question. Today which areas do you see at risk to become brownfield areas? Do you think that middle class suburbs in European cities run the risk of degradation, like we have seen in American cities? Which areas of the European cities could be the city's future and have better prospects for development?

**Ali Madanipour.** Brownfield is a general category of previously developed land. It combined two ideas of regenerating deindustrialized areas, because they were rundown and rusty and there was land in ample supply but in need of reclaiming. This was combined with the idea of sustainability, which meant avoiding greenfield and horizontal development and sprawl. These two

were the kind of the logic of brownfield development. But nowadays there is a housing crisis and there is a planning crisis. In the UK these pressures are opening the door to suburban development: they are encouraging local authorities (they constantly complain about planning being an obstacle to development) and they want to simplify and allow the developers to develop on greenfield areas, in new areas. So there are these new settlements. Historically the pattern of development in the UK has been new settlements, as you know, housing estates rather than just individualized sprawl. If you look at the stock of the middle class housing, of suburban housing from the 1930s and onwards, they are often maintained to some degree of quality because they are owned by the middle class, they repair it, they maintain it, there is a market in it. So to that extent they've survived but the loss of population in the centre and the growth of the periphery, the shrinkage of the core and also of the cities as a whole remain a problem. If you look at the European picture in general, the cities in the south and the east lose population, the smaller cities and peripheral regions lose population, but bigger cities gain population. So those are the growth prospects of the future as they are now. Big cities are continuing to attract, continuing to grow much faster. And those cities grow in the periphery. I don't know if you've seen that recently Renzo Piano, the famous architect, is saying that "the future is in the periphery, I want to put my efforts into periphery". There is not enough space in the centre to be the only future. It's the periphery

where things are happening but not necessarily in good quality.

**Athena Yiannakou.** Don't you see any future in the city centres?

**Ali Madanipour.** Yes, yes there is. It depends. If they are in prosperous regions, city centres are very welcoming and attracting populations, the city living is fashionable. So city centres have a strong future potentially. But in doing so they also have a strong potential for gentrification, for driving the low income groups out. So there is a strong process of changing the character of the centre at least in the largest cities. In the smaller cities, if they are prosperous then the centre survives and continues; if they are weak they have problems both in the centre and the periphery. So there are differences in terms of the larger and smaller cities, wealthy and less wealthy cities. They have different scenarios for their centres and their peripheries, especially in the context of continental European and Anglophone cities, although nowadays the continental European model is also largely suburbanizing but not necessarily in the same way as the Anglophone model.

**Athena Yiannakou.** In the context of the current recession, to what extent do you consider that the tools, processes and mechanisms developed in previous decades through urban regeneration remain appropriate to address new urban problems? What should be the focus of urban policy in the current context?

**Ali Madanipour.** The current crisis is demanding that all attentions be focused on economic revival. But the main challenges are

now growing social inequality as well as climate change. And these are not entirely addressed by this economic emphasis. So the important thing is how to keep social and environmental issues inside these new economic measures that are being developed. So regeneration in that sense continues to be an economic process that aims at economic revitalization. Many public authorities are now investing in knowledge economy, creative economy and they see that's the way forward. So regeneration efforts focus on those aims, at least they hope so. But a lot of those measures are disconnected again from the context. So they go building science parks and things like that without necessarily thinking how it fits into its surroundings. Sometimes it's more like a branding exercise. So in the development of these cultural quarters and science parks some local authorities think of these as branding, sometimes they think of them as just completely disconnected from the context. They think that they are the kind of souvenir from somewhere else that they can bring and put in the middle and things will be sorted. But they don't think about a systematic connection with the locality. And that's a big problem because then the problems of inequality grow rather than being reduced, the problem of stimulating local economy is not addressed because those firms are brought in and they can leave. It's not organic, it's not systematic. Local authorities like academics listen to each other, they learn from each other! So they see other cities doing it and they are repeating it.

**Athena Yiannakou.** Let's come briefly to Greece. I don't know whether you are acquainted with Greek cities at all but just from your experience or from what you may have read, how would you identify the key problems of the Greek cities today? Do you think that urban regeneration policies could play a role and in what manner?

**Ali Madanipour.** My knowledge of Greek cities is very limited. I've been to some regeneration sites in Athens, I've seen Psiri and places like that. Some are a sort of consumption driven focal places in cities, which is similar to other cities. In terms of regeneration, in terms of control of development, management of development, one of the things, for example, that Greek cities have very strongly, at least in the imagination of others, is their historical character. And there is also a lack of control in the sense that development takes place without paying much attention to that character. This maybe good just for tourism industry and not necessarily for Greek people, but it is the idea that sometimes you feel that planning control is not effective. In terms of regeneration, I think the ideal of regeneration is to create spaces that are fit for activities and needs. And the experience of many places is that that fit doesn't exist. That is, spaces are produced for the sake of production rather than in response to the needs of the local population. So when the spaces are produced on a speculative basis for unknown activities that is the case in many places, in the hope that those activities will emerge eventually, it becomes a little bit like walking in the dark. And there are cases in the UK, in Newcastle for example, that have been developed speculatively in the 1960s and never had

anybody using them, they have always been empty. So the idea that spatial development will lead to activity is difficult. These days in the UK you see that there are reports that the GDP is rising but where does it come from? From investment in housing rather than investment in productive capacities. So there is this problem that we cannot say don't invest in land and property because that's part of the economy, part of revitalization, but when it becomes speculative it can shoot itself in the foot by overproduction.

**Athena Yiannakou.** So that brings me very well to the next question. One of the key government policies in Greece to address economic recession is to attract new real estate development (new investment as is officially proposed) in publicly owned and formerly abandoned property, such as the old Athens airport (known with its name Ellinikon), a large site in the Athens coastal area. What do you think are the prospects of such a policy? What should be the main planning policy prerequisites in order to achieve positive results for the cities with such projects?

**Ali Madanipour.** Circulation of capital in real estate generates economic activity which is why public authorities like it; because it is a kind of fuel for the cycle, it is welcome by the state. But the size of the new development matters and whether that size can be absorbed effectively. So some sites are too large and take many years to develop. And if they are developed on the basis of speculative development it's not clear whether they can meet the long-term needs of the city. Lot of cities were developed in the past on that basis. But if you look at, for example, this issue in the old airport of Athens, I don't know about

it, but I know the case of Tempelhof in Berlin, which is again a site that is becoming available and there are disputes about whether to fill it with all sort of things or to leave it as an open space for people to use. At one point it would probably be filled up with activities rather than just left as open space but there are strong pressures to keep it as an open space. Some of these big spaces that were developed, like Canary Wharf in London, bankrupted its developer because the size was so big and at the same time disconnected from the rest of the city. So a big size development is very difficult without a clear phasing, without a clear strategy of what it can do or what it should do. And if you think in an old fashioned way you can say, ok this is good land for the public authority to keep as a land bank for its future needs, but now we don't live in that sort of situation. Public authorities have to grapple with budget deficits, so they look for investment and see a big site that becomes available as a potential for big investment. It depends on where you sit in these issues. If you sit at the top of a municipality, you have a kind of view that "big site, big money".

**Athena Yiannakou.** In conclusion, is there any role that the cities and urban policy in general can play in order to cope with the impacts of crisis. Can cities do something for this general socio economic crisis? Do you wish to introduce any other issue in this discussion?

**Ali Madanipour.** European cities like many other cities now in the world are largely globalized. And in this global economy cities are really centres of activity and most people,

in Europe anyway, live in cities. So, this is where people live and work and the conditions of the cities are very significant for people's life. In terms of the global economy and global climate, and in terms of the everyday conditions of people, cities have very strong roles to play. And as a result there is no doubt that cities and regeneration and revival and health of the cities are significant for all of that. These issues are not disconnected, more and more they are absolutely at the heart of it. And the key issue in coping with this crisis, more easily said than done as a general point to make, is how existing resources are managed in this global situation rather than thinking that the global economy is like something that is entirely out of our control. Good local government can use some of those global processes to its benefit rather than being exposed without any control. Of course it is easy for us to say these things.

**Athena Yiannakou.** In a way you point out the political aspect. Many people argue that the crisis in Greece is more a political than economic crisis.

**Ali Madanipour.** If that political crisis is resolved in a way that can lead to some sort of local control that is settled then that local control, that local governance can lead itself out of the problem with some sort of concerted effort. In the UK what happened after the crisis and the new government came to power was to abolish the regional tier of control. And this abolition meant that all local authorities were left to compete with one another. Now there is a process of getting them to form combined authorities. The

greater Manchester area has been able to develop a combined authority. London has a strategic authority and a mayor but in the rest of the regions these coordinated forms of governance didn't exist. Now there is a process of creating combined authorities led by local authorities getting together. How effective they are depends on how they can work together.

**Athena Yiannakou.** Thank you very much for this interview. It was really very interesting to talk to you and meet you through this interview.

**Ali Madanipour.** Thank you very much, it was very nice meeting you as well.