

Austerity and the city: a response to Prof Allan Cochrane's paper

Dr Steven Truxal, 5 March 2015

Allan Cochrane distinguishes the features of the post-2008 financial crisis austerity regime in Britain from the post-WW2 austerity programme, and puts forward that the political mobilisation of the current regime can be attributed to a commonality in society towards, on one hand, the coupling of a failure of the state to control spending and our living beyond our means and, on the other hand, a sense of shared responsibility going forward.

We know that “the return of austerity, as a policy and as a discourse, is now widespread and pervasive. [and whilst] austerity is not new ... [it] is often evoked as a policy frame to financial crises” (Donald et al, 2014 citing Clark, 2000).

The city

Allan explores the core of the politics of austerity as the ‘urban experience of austerity’ with particular focus on the management, or *mis*management, of urban housing [or perhaps we could argue the wider urban infrastructure] and the commitment to, or rhetoric around, localism.

I think **the city** is paramount. Building on the clear relationship between the city and the state [one defining the other], Donald *et al* (2014) explain that the financial crisis originated in the urban and became part of a broader state crisis with consequences for cities leading to ‘urban decay’.

Firstly, cities are where most people live, they are economic powerhouses; however, cities are also home to the highest number of most vulnerable people, old and young. With respect to the latter, “*fiscal* austerity is projected to have a seriously negative impact on families and children in the UK ...as well. In 2000, the UK pledged to end child poverty by 2020. Until 2007, the UK was making progress toward reducing child poverty. Since the crisis, starting in 2007, the UK progress on reducing child poverty has fallen back, in part in response to austerity cutbacks in programmes designed to help poor families and children access goods including heating, food, decent housing and the basics” (Donald *et al*, 2014 citing Beatty and Fothergill, 2014; Lambeth Council, 2011). According to UNICEF (2011), “two of three children in the UK now live in a poor household.”

Indeed, cities play a crucial role as sites of collective consumption; the state is provider of necessary infrastructure (e.g. public transport, housing, education, water).

Under the **housing and urban development** pillar, Logan and Molotch argue that there is a ‘growth machine’ that “represents an ideological project promoted by local elites as value free, thus de-emphasising the links between growth and private profit and instead presenting all forms of capital investment as a public good to be celebrated (Donald *et al*, 2014 citing Boyle, 1999). The British media has featured so many politicians promising, then evidencing and defending policies on ‘growth’ and the ‘Big Society’. “Growth is assumed to expand the local tax base, create jobs, and to improve the general standard of living” (Donald *et al*, 2014).

Allan raises the issues around planning policy and the importance of profit to success of any scheme for new housing, mentioning the attempts to “extract social benefit from the gains made from the development process”; there must be some financial benefit in terms of returns, or else. There is a feeling that whilst land owners have planning permission, they are not releasing land for large-scale development, which it seems is needed for ‘affordable’ housing. [As a middle-class professional who lives in Central London, personally I am completely depressed with the phrase “affordable housing” – cause none of it is!]

Allan has also kindly pointed us to **localism** and the importance of locality. We can agree that “austerity policies have played out at multiple scales, but it seems that this current round of austerity is peculiarly local in nature. Cities and their municipal governments have become both victims and instigators of new forms of urban austerity with implications for how austerity measures are realised in and across particular spaces” (Donald *et al*, 2014 citing Christopherson *et al.*, 2013).

The decentralisation of decision-making and therefore immediate responsibility to local governments and local communities has put municipalities in increasingly vulnerable positions. It has been observed that, “municipalities are forced to become entrepreneurial in order to promote economic development” and to ‘retain’ businesses and residents (Donald *et al*, 2014).

Cooperation, advocacy and the ‘rule of law’

From a ‘legal’ perspective, I also feel it is needful to consider the political – one must ask about the political implications of the emergence of new austerity regimes. Are we undermining democratic processes?

The idea that Allan puts forward that we are having a ‘shared experience’ makes me think of cooperation and advocacy – either on a voluntary basis or through the social [or political!] contract – and the relationship between cooperation, the ‘rule of law’ and the city.

“The rule of law ... [is] consensual and contractual, both as it applies to the horizontal dimension of social interactions among citizens—the *pactum unionis* [the social contract proper or contract of association, insufficient for well-ordered society, Hobbes, Rosseau and Locke agreed at least that social order was consistently threatened by the risk that a given individual may cease to voluntarily abide by the rules]—and the vertical dimension of social interactions between citizens and government—the *pactum subjectionis* [contract of submission or contract of government; individuals voluntarily subsume their will to a centralized authority—the government—who acts as a third party enforcer of their reciprocal promises to abide by the law]” (White, Sepe, Masconale, 2014).

“Given the primacy of one’s urban environment, [White, Sepe and Masconale] argue that the government’s provision of adequate **urban infrastructure** plays an especially salient role in signaling to individuals that most others conform their behaviour to legal rules. This, in turn, fosters an individual’s sense that following the rules is valuable.” [And] as a result, ‘social cooperation’ (rule abidance) and ‘social advocacy’ (taking actions to hold both fellow citizens and public officials accountable to the law) emerge as an equilibrium in such an environment. Under this social equilibrium, the rule of law is strengthened, and coercive

government enforcement becomes less necessary, creating net gains for society” (White, Sepe, Masconale, 2014).

The risk is that the effects of austerity policies can lead instead to urban decay; we are all too familiar with examples of this (e.g. Detroit). Urban decay, of course, occurs when individuals are led “to believe that the government and thus citizens as a collective have abandoned their commitment to follow the rules. This, in turn, causes individuals to respond rationally by placing less value on their own law abidance. Social cooperation and social advocacy are undermined.” [And so] “without support from the bottom, the rule of law begins to crumble—setting in motion a vicious cycle potentially leading to a break down in the rule of law entirely. Once this vicious cycle is set in motion, [it is argued that] increased coercive enforcement—such as ‘zero tolerance’ policing strategies—cannot salvage the rule of law. Rather, such enforcement increases the risk of governmental abuse of power—abuse which is characteristic of a polity lacking a strong rule of law. Moreover, stricter coercive enforcement can only compensate for the loss of social cooperation and social advocacy to a limited extent, and at significant costs” (White, Sepe, Masconale, 2014).

I agree with Allan that austerity is chaotic – he says it’s a genuinely chaotic conception and I would argue it has the potential to manifest itself as chaotic pressure on laws and the rule of law.

White, Sepe and Masconale (2014) question the trade-off between the *ex ante* gains of austerity and the *ex post* social costs associated with the loss of social enforcement (social cooperation and social advocacy) and a broken rule of law.

My concluding question is: what will be the net effect of this current round of austerity on the city and the societal commitment to the rule of law...?

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