7 Land Use in the City

Preview: urban morphogenesis; town plan analysis; ecological models of the city; Burgess's concentric-zone model; Hoyt's sector model; the multiple-nuclei model of Harris and Ullman; Mann's model of a British town; Kearsley's modified Burgess model; Vance's urban-realms model; White's model of the twenty-first-century city; urban political economy; major actors in the production of the built environment; growth coalitions; the central business district; urban architecture; architecture and urban meaning; the social construction of the urban landscape

INTRODUCTION

Although most towns and cities have occupied the same location for centuries, the buildings and other physical infrastructure which comprise the built environment are not fixed but affected continuously by dynamic forces of change initiated by public and private interests. This modification of the urban environment occurs at a variety of scales ranging from the residential relocation decisions of individual households to large-scale projects including public road-building programmes and private house-building schemes. In addition, to differing degrees in different countries, the operation of these 'market forces' is influenced (enhanced or constrained) by national and local planning. The net effect of these socio-spatial processes is revealed most clearly in the land-use structure of the city. In this chapter we examine the principal models and theories of urban land use. For analytical convenience these are arranged into four broad types based on the principles of:

- morphogenesis;
- 2. human ecology;
- political economy;
- 4. postmodernism.

URBAN MORPHOGENESIS

The study of urban **morphogenesis** or town-plan analysis has a long history in urban geography. Since its high-point in the 1960s the approach has been sidelined, despite the fact that in its more recent formulations it has sought to advance from description and classification of urban forms¹ to analysis of the causal forces underlying changes in the pattern of urban land.²

Much current research in the morphogenetic tradition stems from the seminal work of Conzen (1960),³ who divided the urban landscape into three main elements of town plan, building forms and land use, and demonstrated how each reacted at a different rate to the forces of change:

- Land use is most susceptible to change.
- Since buildings represent capital investments and are adaptable to alternative uses without being physically replaced, change occurs at a slower rate than with land use.
- 3. The *town plan* or street layout is most resistant to change.

Conzen also introduced the concepts of the **fringe belt** and **burgage** cycle to aid analysis of urban change. The existence of a fringe belt and associated fixation line reflects the fact that urban growth is cyclical rather than continuous, with periods of outward extension alternating with periods of standstill (marked by a fixation line) due to a downturn in the building cycle. A succession of fringe belts can be identified around most towns, related to phases of active growth (Figure 7.1). The burgage cycle indicates the way in which land use on a single plot develops over time.

These concepts have been developed by White-hand (1991)⁴ into an approach that seeks to identify the decision-making behaviour underlying land-use change. This is based on the premise that the town plan at any one time is the outcome of the perceptions, principles and policies of individuals (e.g. landowners) or agencies (e.g. local planning departments) which exercise the necessary power. The westward extension of the city of Glasgow in the eighteenth century illustrates both the economic power of landowners and the influence of the burgage-plot pattern of land-holding on urban form (Box 7.1). More recent evidence of the influence of landowners, developers and planners on urban structure is provided by Whitehand's (1992) study of residential infilling in Amersham in Berkshire, in which he explores the decision-making processes underlying urban change, focusing on negotiations between developers and the local planning authority.5 In similar vein, Moudon (1992) has studied the evolving residential morphology of the North American city.6 These attempts to explore the backgrounds, motivations and actions of the major agents in the creation of townscapes at the local level represent a major advance on the earlier descriptive classifications of town plans. However, the difficulty of undertaking such detailed investigations increases as one looks further into the urban past.

ECOLOGICAL MODELS OF THE CITY

According to the ecological perspective developed by the Chicago school of human ecology, the significant processes underlying the spatial configuration of the growing American industrial city were analogous to those found in nature. Hence, *competition* among land uses for space resulted in the *invasion* of the most desired parts of a city and eventually the *succession* of existing land uses by a more *dominant* activity (as in the expansion of the **central business district** (CBD) into the surrounding transition zone). Under free-market conditions, certain parts of the city would be occupied by the function

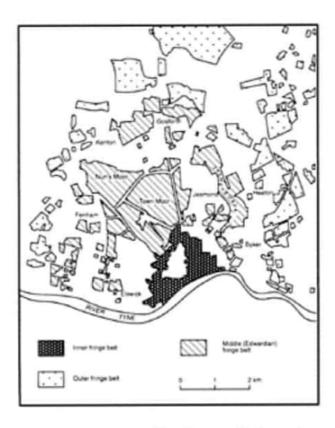


Figure 7.1 The fringe belts of Newcastle upon Tyne

Source: J.Whitehand (1967) Fringe belts: a neglected concept of urban geography Transactions of the Institute of British Geographers 41, 223–33

that could maximise use of the site, and in due course **natural areas** would evolve, distinguished by their homogeneous social or ethnic character (such as a slum or ghetto). On the basis of this tendency for ecological processes to sort similar households, Burgess (1925) derived his general concentric zone model of residential differentiation. Figure 7.2 shows Burgess's interpretation of the land-use structure of Chicago (on the left of the diagram) and the general model arising from it (on the right of the diagram). The characteristics of the five zones are described in Box 7.2. Burgess maintained that the city tends to grow outwards in annular fashion from Zone I to Zone V.

It is important to recognise that the concentric-zone model was proposed as an ideal type, not as a representation of reality. Based on the study of one city (Chicago) at one point in time (the 1920s) it offers a description of urban development as this would occur if only one factor (radial expansion from the city centre) determined the pattern of urban growth. Burgess was able to point to many examples of invasion and succession underlying the changing occupancy pattern of different zones in Chicago in the early twentieth century as successive waves of immigrants worked their way from their initial quarters in the zone of transition out to more salubrious neighbourhoods. In the model (Figure 7.2)

BOX 7.1

Land-ownership and the development of the street pattern in eighteenth-century Glasgow



Between 1710 and 1780, eight new streets were developed as the town spread west from Glasgow Cross. The influence of the medieval pattern of land ownership based on burgage plots exerted a controlling influence on these developments. As the street plan shows, whereas a single plot or rig provided sufficient space to form a narrow wynd or vennel, the wider and longer streets were formed by the purchase and amalgamation of several plots. Miller Street (constructed by John Miller, a maltster and town bailie, or magistrate) required eight plots. The large profits to be gained by capitalising on the appreciating land values are confirmed by the fact that the cutting of the street obliged Miller to demolish half his newly built mansion.

The first of the new streets, Virginia Street, was opened in 1793 through two acres (0.8ha) of cabbage plots. Virginia Street was a furrow long (furlong, about 200m). Although the plot was evolved for the convenience of tillage, its size and shape were well suited to the speculative builder's goal of maximising the number of properties fronting on to the new streets. These developments on what had been the old burghal tillage lands set in motion a shift in the focal point of the city west from the Cross. It also signalled the emergence of a marked socio-spatial segregation as the upper classes moved away from the crowded conditions of the old town.

Source: M.Pacione (1995) Glasgow: The Socio-Spatial Development of the City

Chichester: Wiley

this is shown by how some of the early immigrant groups (e.g. Germans) have 'made it' to the superior accommodation of Zone III, replacing second-generation American families who had moved out to settle the outer residential zone, Zone IV. Burgess was

not unaware of the many other factors that influence city growth. (For example, in a less well-known model he postulated a relationship between residential status and altitude in 'hill cities'.)⁸ Although Burgess maintained that his model would apply to the then-contemporary American city, he did not expect any one city to be a perfect example of the theory.

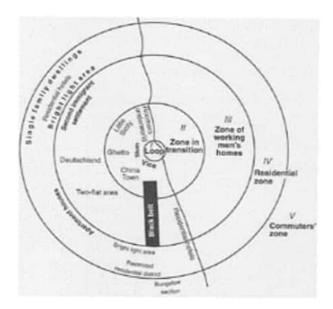


Figure 7.2 Burgess's concentric-zone model of urban land use, applied to Chicago

Source: R.Park and E.Burgess (eds) (1925) The City Chicago, IL: University of Chicago Press

TABLE 7.1 ASSUMPTIONS AND PRINCIPLES OF THE CONCENTRIC-ZONE MODEL OF URBAN LAND USE

- 1. Cultural and social heterogeneity of the population
- 2. Commercial-industrial base to the economy of the city
- 3. Private ownership of property and economic competition for space
- 4. Expanding area and population of the city
- 5. Transport is equally easy, rapid and cheap in every direction within the city
- The city centre is the main centre for employment and near this centre space is limited; competition for this space is high, and therefore it is most valuable. The opposite is
- 7. true of peripheral areas No districts are more attractive because of differences in terrain
- 8. No concentrations of heavy industry
- 9. No historic survival of an earlier land-use pattern in any district

Subsequent attempts to apply the model have often been less than successful, partly because they failed to recognise its limiting assumptions (Table 7.1). For example, the model is based on the concept of a city with a large population undergoing rapid

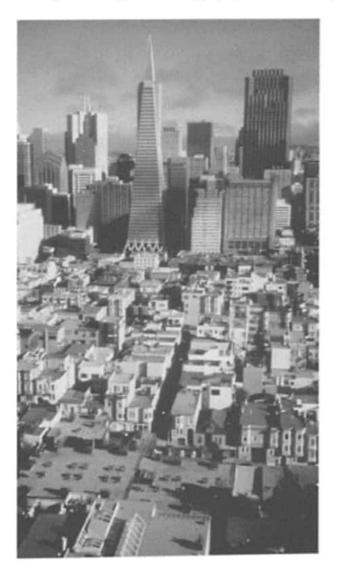


Plate 7.1 The high-rise central business district of San Francisco CA provides a backdrop to the lowrise high-status neighbourhood of Nob Hill

expansion, with much of the population increase assumed to be due to the arrival of ethnically diverse immigrants from overseas. Both assumptions were met in Chicago, which from 1860 to 1910 increased its population almost twentyfold. The Burgess model was also formulated on the basis of a particular set of economic and political circumstances. In particular, the model assumed private ownership of property and the absence of any city-planning constraints on the use of private property. Under these circumstances, property owners were free to develop their land as they wished. It also

meant that only the wealthy could afford to live in the better locations away from innercity slums. These conditions were again met by the Chicago of the 1920s. But in most Western societies today, government has intervened in the housing and property market (see Chapter 8). As a result, the slum housing of the model's zone in transition has been replaced, in many cases, by public redevelopment schemes. Further, around every major British city there are large estates of council housing provided by the government for people who would be unable to compete for such locations in the open market envisaged by Burgess. The general applicability of the model is further reduced by the gentrification of some inner-city slums, and by the continued

BOX 7.2

Burgess's concentric-zone model of urban land use

Zone I

The first and smallest zone is the *central business district* (CBD). This is the focus of the commercial, social and cultural life of the city, and the area where land values are highest. Only activities where profits are high enough to meet the rent demanded can locate in the area. The heart of the zone is the downtown shopping area with large department stores and the most exclusive shops. The area also contains the main offices of financial institutions, the headquarters of civic and political organisations, the main theatres and cinemas, and the more expensive hotels.

The CBD is the most accessible area in the city. It has the greatest number of people moving into and out of it each day, and the main transport termini are, therefore, located there. Forming the outer ring of the central area is a wholesale business district with warehouses, light industries and, perhaps, a market. The CBD contains the original nucleus of the settlement, but only scattered pockets of residences remain.

Zone II

Immediately adjacent to the CBD is the zone in transition. Early in the history of the city this formed a suburban fringe that housed many of the merchants and well-to-do citizens. With the growth of the city, however, industries encroached into this zone from the inner zone, and the quality of the residential environment deteriorated. The inner margins of the zone in transition are industrial and its outer ring is composed of declining neighbourhoods. The once fashionable town houses have been converted into flats, furnished rooms and even small industries. The population of the zone is heterogeneous and includes first-generation immigrants as well as older residents. It is also an area frequented by vagrants and criminals, and rates of crime and mental illness are the highest in the city.

Those who own property in the zone are interested only in the long-term profit to be made from selling out to businesses expanding from the central area, and in the short-term profits that accrue from packing in as many tenants as possible. As a result, property is run-down. The zone is characterised by a highly mobile population. Not surprisingly, as people prosper they tend to move out into Zone III, leaving behind the elderly, the isolated and the helpless.

Zone III

This is termed the zone of independent working men's homes. The population consists of the families of factory and shop workers who have managed to prosper sufficiently to escape the zone in transition but who still need cheap and easy access to their workplaces. The zone is focused on factories, and its population forms the bulk of what may be termed the respectable working class. Unlike in the 'childless' zone in transition, all age groups are represented.

Zone IV

This is an area of *better residences*, a zone of private housing or good apartment blocks. It is the home of the middle class. At strategic locations, subsidiary shopping centres have developed as mini versions of the downtown shopping area.

Zone V

Still farther out from the inner city is the *commuter belt* within thirty to sixty minutes' journey time of the CBD. This is essentially a suburban dormitory zone characterised by single-family dwellings.

Beyond these five main zones Burgess sometimes recognised two additional areas comprising:

Zone VI

The surrounding agricultural district

Zone VII

The wider hinterland of the city.

association between high social status and inner-city residence in many European cities.

The value of the concentric-zone model is therefore limited historically and culturally.
The model cannot be applied universally, and even within the USA it has become dated.
Nevertheless, while the explanatory power of the model is limited in today's world, some of the constituent land-use zones can still be recognised, and it remains a useful pedagogic device against which to test real-world cities.

The earliest constructive criticism of Burgess's model emerged from an analysis of the internal residential structure of 142 American cities by Hoyt (1939). By mapping the average residential rent values for every block in each city, Hoyt concluded that the general spatial arrangement was characterised better by sectors than by concentric zones (Figure 7.3). The resultant model of urban land use starts with the assumption that a mix of land uses will develop around the city centre, then, as the city expands, each will extend outwards in a sector. In this manner the high-rent neighbourhoods of the wealthy follow a definite path along communication lines, on high ground free from flood danger, towards open country, or along lake or river fronts not used by industry. Conversely, low-income groups with limited housing choice consume the obsolete housing of the wealthy, now converted into apartments, or occupy less desirable zones. The sectors undergo growth and change over time but according to the model, outward change occurs only

within sectors. The whole sector may not be geographically or socially similar at any one time, with, for example, better-quality housing moving towards the periphery, leaving decaying housing nearer the centre. A major contrast between the models of Burgess and Hoyt is that whereas residential change is stimulated on the demand side in Burgess's model, with immigrants competing for inner-city housing, Hoyt stresses supply-side mechanisms, with the construction of new housing for the middle classes on the urban periphery (and subsequent filtering of vacated dwellings) being the catalyst for sociospatial change. Hoyt's model does not replace the concentric-zone scheme but extends it by adding the concept of direction to that of distance from the city centre. A major weakness of the theory is that it largely ignores land uses other than residential, and it places undue emphasis on the economic characteristics of areas, ignoring other

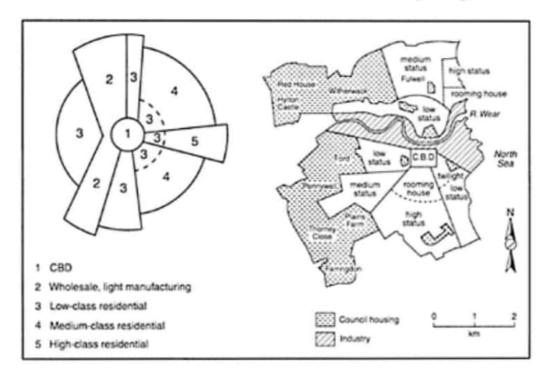


Figure 7.3 Hoyt's sector model of urban land use, and its application in Sunderland

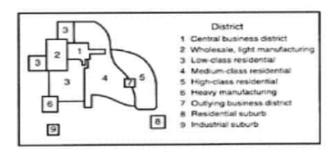


Figure 7.4 Harris and Ullman's multiple-nuclei model of urban land use

important factors, such as race and ethnicity, which may underlie urban land-use change.

The excessive simplicity of the concentric ring and sector models of the city was addressed by Harris and Ullman (1945), who observed that most large cities do not grow around a single CBD but are formed by the progressive integration of a number of separate nuclei¹¹ (Figure 7.4). The location and growth of these multiple nuclei are determined by a number of controlling factors:

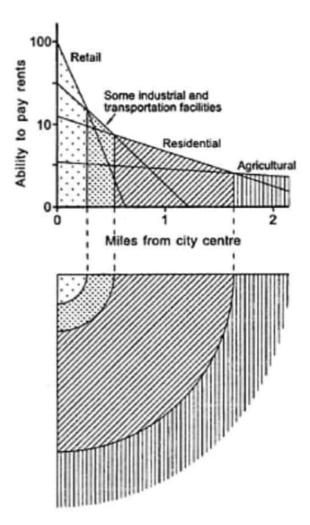
- Certain activities require specialised facilities and congregate where these are available. Industry, for example, requires transport facilities and is often located close to railway lines, major roads or port facilities.
- Similar activities group together to profit from external economies of association, leading to the emergence of specialised legal districts or financial quarters.
- Some activities repel each other owing to negative externality effects, as seen in the separation of high-income residences from industry.
- 4. Some activities which could benefit from a central location in or near the CBD, but which cannot afford the high rents demanded, must locate elsewhere. Warehousing or grocery wholesaling are examples of activities that require large structures and would benefit from a central location but are forced to 'trade off space for accessibility (Box 7.3).

The value of the Harris and Ullman model lies in its explicit recognition of the multinodal nature of urban growth. Furthermore, they argue that land uses cannot always be predicted since industrial, cultural and socio-economic values will have different impacts on different cities. While the Burgess zonal pattern and, to a lesser extent, the Hoyt sectoral pattern suggest inevitable predetermining patterns of location, Harris and Ullman suggest that land-use patterns vary depending on local context. Hence the multiple-nuclei model may be closer to reality. In practice, elements of all these models may be identified in many large Western cities. In London, for example, the annular rings of growth reflect Burgess, and a clear distinction can be drawn between an older and poorer inner city and more affluent and modern outer suburbs. Superimposed on this is a pattern of sector development with a zone of local authority and workers' dwellings from the latter part of the industrial revolution extending from the East End to Dagenham and beyond. To the north and west an affluent residential sector extends from Mayfair to St John's Wood into Hampstead and on into the 'stockbroker belt' of the Chiltern Hills. Finally, multiple nuclei can be found at various scales, the most evident being the financial centre of the City or the concentration of medical services around Harley Street.

One of the most severe criticisms of the 'classical' models of urban land use referred to their economic bias and consequent neglect of cultural influences on urban land-use patterns. In an early study, Firey (1947) demonstrated that neither the concentric zone nor a sector theory was adequate in explaining land-use patterns in Boston MA, where non-economic considerations, centred on 'sentiment and symbolism', lay behind the spatial juxtaposition of the fashionable residential area of Beacon Hill and an area populated by low-income immigrants and their descendants. Firey's work was significant in illustrating how social values could override economic competition as the basis for socio-spatial organisation. Firey recommended a 'cultural ecology' approach instead of urban ecology in order to take into account specific cultural and historical factors influencing a city's land-use patterns. In this he anticipated many of the arguments of postmodernism.

BOX 7.3

The trade-off model of urban land use



The mainspring of the concentric-zone model of urban land use is the expansion of the inner zone outwards. This movement is triggered by excessive demand for central city land. The neo-classical economics 'trade-off' model employs the concept of bid-rent curves to explain why demand for land, and therefore land-use patterns, vary across the urban area. The basis of the model is the relationship between accessibility and land rent. The more accessible a location the greater the demand for it, which is reflected in the distribution of land values. In the model the city centre is assumed to be the most accessible and therefore most valuable location. Since some land uses place greater importance on accessibility, they are prepared to pay higher rents for central locations.

As the model shows, under normal conditions a department store will always outbid a housing developer for a central city site because the store's success is more dependent on its being accessible to as large a population as possible. Land uses that need to be accessible but which cannot afford to pay the rents demanded for sites in the CBD tend to locate in the surrounding zone in transition. In this way the CBD expands outwards and so sets the pattern of city growth in motion. Different land uses evaluate sites in terms of attributes such as size and proximity to desired facilities (such as clients, workplace or open country). Since each is limited in terms of what it can afford to pay for any site, consumers may have to trade off space against accessibility. (For example, a household may occupy a small city-centre apartment to gain accessibility to workplace or leisure facilities, trading these off against a more spacious single-family dwelling in a suburban commuter location.) As a result of such trade-offs, different land uses occupy different locations in the city in a process that produces the urban land-use pattern.

MODIFICATIONS OF THE CLASSICAL URBAN MODELS

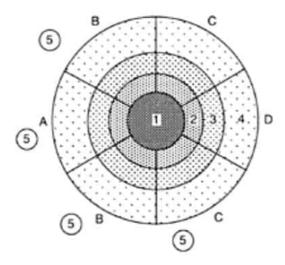
MANN'S MODEL OF A TYPICAL BRITISH TOWN

One of the limitations of the classical ecological models was their specific focus on the US city. Mann (1965) combined elements of the Burgess and Hoyt models in his model of a typical medium-size British city. The model also incorporated a climatic consideration relevant to the UK by assuming a prevailing wind from the west. As Figure 7.5 shows, in the model:

- 1. The best residential area (A) is located on the western fringe of the city, upwind of and on the opposite side of town from the industrial sector (D).
- The areas of the working class and the main council estates (C) are located close to the industrial zone.
- 3. The lower middle-class housing (B) borders on each side of the best residential area.
- 4. The model also identifies a CBD, a transition zone, a zone of small terraced houses in sectors C and D, larger housing in sector B, large old houses in sector A, post-1918 residential areas with post-1945 housing added on the periphery, and dormitory settlements at commuting distance from the city.

KEARSLEY'S MODIFIED BURGESS MODEL

Kearsley's model was an attempt to extend Mann's model of urban structure to take into account contemporary dimensions of urbanisation such as the level of governmental involvement in urban development in Britain, slum clearance, suburbanisation, decentralisation of economic activities, gentrification and ghettoisation¹⁴ (Figure 7.6). Manipulation of the model's various elements—such as the extension of inner-city blight, minimisation of local and central government housing, and expansion of recent low-density suburbs—offers a North American variant of the basic model.



- 1 City centre
- 2 Transitional zone
- Zone of small terrace houses in sectors C and D, bye-law houses in sector B, large old house in sector A
- 4 Post-1918 residential areas with post-1945 development mainly on periphery
- 5 Commuting distance villages
- A Middle-class sector
- B Lower-middle-class sector
- Working-class sector (and main municipal housing areas)
- D Industry and lowest working-class areas

Figure 7.5 Mann's model of a typical medium-size British city

Source: P.Mann (1965) An Approach to Urban Sociology London: Routledge

VANCE'S URBAN-REALMS MODEL

By extending the principles of the multiple-nuclei model, Vance (1964) proposed the urban-realms model. The key element is the emergence of large self-sufficient urban areas each focused on a downtown independent of the traditional downtown and central city. The extent, character and internal structure of each 'urban realm' is shaped by five criteria:

- 1. the terrain, especially topographical and water barriers;
- 2. the overall size of the metropolis;
- 3. the amount of economic activity within each realm;
- 4. the internal accessibility of each realm in relation to its dominant economic core;
- interaccessibility among suburban realms. Particularly important here are circumferential links and direct airport connections that no longer require them to

interact with the central realm in order to reach other outlying realms and distant metropolises (Figure 7.7).

Though conceived on the basis of work on the San Francisco Bay area, the model has subsequently been applied to describe the general land-use structure of other US cities. 16

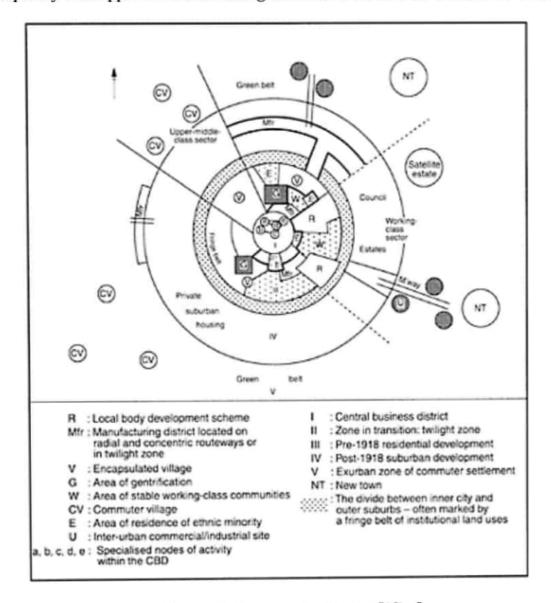


Figure 7.6 Kearsley's modified Burgess model of urban land use

Source: G.Kearsley (1983) Teaching urban geography: the Burgess model New Zealand Journal of Geography 12, 10-13

WHITE'S MODEL OF THE TWENTY-FIRST-CENTURY CITY

Since publication of the three classical models of urban land use many new forces have come to influence urban growth. These reflect societal changes such as

deindustrialisation of the urban economy, the emergence of a service economy, the dominance of the automobile, a decrease in family size, suburban residential developments, decentralisation of business and industry, and increased intervention by government in the process of urban growth. White (1987) proposed a revision of the Burgess model that incorporates these trends in order to guide our understanding of the twenty-first-century city¹⁷ (Figure 7.8).

The model comprises seven elements:

 Core. The CBD remains the focus of the metropolis. Its functions may have changed over the years but it still houses the major banks and financial institutions, government

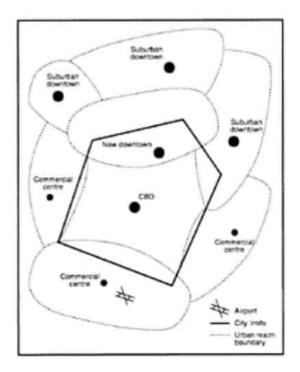


Figure 7.7 Vance's urban realms model

Source: J.Vance (1964) Geography and Urban Evolution in the San Francisco Bay Area Berkeley, CA: Institute of Local Government Studies, University of California

buildings and corporate headquarters as well as the region's main cultural and entertainment facilities. A few large department stores retain flagship establishments downtown, but most retailing has moved with the affluent population to the suburbs, with many remaining outlets being speciality stores catering for daytime commuters.

2. Zone of stagnation. While Burgess expected investors from the CBD to expand into the zone in transition, White depicts the area as a zone of stagnation. He argues that rather than extending outwards spatially, the CBD expands vertically. Lack of investment in the zone was compounded by the effects of slum clearance, highway construction, and the relocation of warehousing and transport activities to suburban areas. Although

- some older US industrial cities (such as Cleveland OH) have sought to revitalise the zone through conversion of buildings into entertainment, shopping and residential areas, younger cities (such as Dallas TX) have abandoned the zone altogether.
- Pockets of poverty and minorities. These comprise highly segregated groups living on the fringes of society, including the homeless,

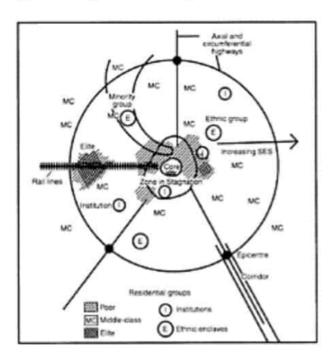


Figure 7.8 White's model of the twenty-first-century city

Source: M.White (1987) American Neighborhoods and Residential Differentiation New York: Russell Sage Foundation

addicts, dysfunctional families, the **underclass**, and members of minorities. The surroundings reflect their status, being dominated by deteriorating housing in blighted neighbourhoods. These slum areas are found mostly in the inner city skirting the zone of stagnation, but a few are also located in older suburbs.

- 4. Elite enclaves. The wealthy have the greatest choice of housing environment and are able to insulate themselves from the problems of the metropolis. Most live in neighbourhoods on the urban periphery in expensive houses on spacious lots. 'Gilded' neighbourhoods also remain in the central areas of older large metropolises.
- 5. The diffused middle class. These areas occupy the largest area of the metropolis and are spatially concentrated between the outer edge of the central city and the metropolitan fringe. This suburban zone is characterised by social diversity:
 - In the interior sections are older settled neighbourhoods which are now in transition as the original settlers have raised their families and are moving to other dwellings. Some of these neighbourhoods, often adjacent to the central city, are attracting the black middle class. Although large numbers of African-Americans have moved to the suburbs in recent decades they remain highly segregated.

- Farther out there are the archetypal suburban communities comprising married couples with small children living in single-family detached homes built on spacious lots. The suburbanisation of business and industry means that nucleations of other social groups are also present, with working-class families living in more modest neighbourhoods, the elderly in garden apartments and retirement communities, singles in apartment complexes and ethnic minorities in their own enclaves.
- 6. Industrial anchors and public sector control. Industrial parks, universities, R&D centres, hospitals, business and office centres, corporate headquarters and other large institutional property holders can exert a major influence on patterns of land use and residential development. Institutional actors and other members of a local growth coalition (see below) can pressure city government to modify zoning, lower taxes and construct infrastructure. The location of such activity (e.g. the siting of a large shopping mall) is of considerable importance in shaping the urban structure.
- 7. Epicentres and corridors. A distinguishing feature of the evolving twenty-first-century metropolis is the emergence of peripheral epicentres located at the convergence of an outer beltway and axial superhighway and providing a range of services to rival those of the CBD. Corridor developments, as along Route 128 near Boston or the Johnson Freeway in Dallas, can also act as a focus for intensive economic activity.

The classical models together with more recent modifications provide a powerful insight into the changing structure of the Western city. A major deficiency, however, is that only limited explicit consideration is given to the processes underlying the revealed patterns of land use. This criticism underlay development of the political economy interpretation of urban change.

A POLITICAL-ECONOMY PERSPECTIVE

Despite some success in describing general patterns of urban land use the traditional ecological models, and in particular their positivist basis in neoclassical economies, were criticised in the early 1970s as:

- mechanistic, viewing humans as rational decision-makers operating in an abstract environment;
- 2. *ideological*, retaining the myth of value-free research while legitimising market capitalism and retention of the socio-economic status quo;
- devoid of ethical content, since questions of equity and fairness of social conditions and resource allocation were excluded.

Energised by the development of a policy-oriented and relevance perspective in human geography, urban geographers sought interpretations of urban change that revealed the structural forces underlying observed land-use patterns. This led researchers such as Harvey (1975) and Castells (1977) to focus explicitly on the place of the city in the capitalist mode of production. This neo-Marxist perspective was based on the premise that:

if the city is considered to start with as a market where labour, power, capital and products are exchanged, it must be equally accepted that the geographical configuration of this market is not the result of chance; it is governed by the laws of capital accumulation.

(Lamarche 1976 p. 86)19

The city in advanced capitalist societies is regarded as a particular built form commensurate with the fundamental capitalist goal of accumulation (the process by which capital is reproduced at an ever-increasing scale through continued reinvestment of profits). Thus, as well as concentrating the means of production through agglomeration, cities also develop an infrastructure that facilitates the geographical transfer of profits in search of optimum investment opportunities. Harvey (1985) refers to this process as the 'circulation of capital' and sees it as a key factor in urban development.²⁰

As Figure 7.9 shows, Harvey envisaged three circuits of capital:

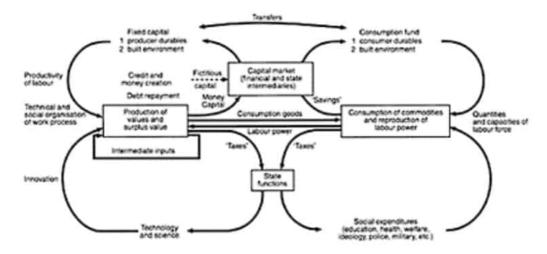


Figure 7.9 Harvey's model of the circulation of capital

Source: D.Harvey (1978) The urban process under capitalism International Journal of Urban and Regional Research 2(1), 101–31

- 1. The primary circuit refers to the structure of relations in the production process (e.g. the manufacture of goods for sale). Surplus value (profits) created in the production process is either reinvested in the primary circuit with a view to generating further profit or, in the event of overproduction (or underconsumption), may be channelled via the capital market into the secondary or tertiary circuits.
- 2. The secondary circuit involves investments in fixed capital, such as the built environment (e.g. property development), in the expectation of realising profits either:
 - in the form of rental income from the **use value** of the building; or
 - from the enhanced future **exchange value** (sale price) of the building.
- The tertiary circuit involves investment in science and technology that leads ultimately to increases in productivity, or investment in improving labour capability through

education or health expenditure. Much of this investment is made collectively by the state, since individual capitalists are unlikely to take a long-term view of the potential advantages.

Significantly, there is a limit to the process of capital transfer from the primary to secondary circuits (since the market can absorb only so many office buildings or leisure centres). When this point is reached, investments become unproductive and the exchange value of capital put into the built environment is reduced or in some instances lost completely (resulting in bankruptcy for some investors and redundancy for the workforce). Since these events occur in specific locations, the outcome is an uneven geography of development, with some areas (e.g. the CBD) benefiting from an inflow of capital investment and other areas (e.g. 'off-centre' commercial areas) tending to decline owing to lack of capital investment.

However, the devaluation of *exchange value* does not necessarily destroy the *use value* of a building or site that can be used as the basis of further development. Since growth (the accumulation of profits) is a constant requirement of the capitalist mode of production, devaluations of fixed capital (e.g. an existing building) represent one of the main ways in which capitalism can speed the accumulation of new capital value (e.g. by redevelopment). This process is illustrated graphically by Feagin (1987), who describes how a property developer in Houston demolished a structurally sound twenty-storey office block to make way for an eighty-two-storey supertower.²¹ There is, therefore, a major contradiction in the capitalist city between the capitalist dynamic of accumulation (provoking urban growth and change) and the inertia of the built environment (which resists urban change). As Harvey (1981 p. 113) explained:

under capitalism there is then a perpetual struggle in which capital builds a physical landscape appropriate to its own condition at a particular moment in time, only to destroy it, usually in the course of a crisis, at a subsequent point in time. ²²

As we shall see later (Chapter 14), the transfer of capital from the primary to secondary circuit in the form of speculative investment in the built environment underlay the property boom experienced by the large cities of Europe, North America and Australia during the late 1970s and early 1980s in the wake of the oil price shock of 1973.

The transfer of capital from the primary to the secondary circuit of Harvey's model has also been postulated to be a major cause of post-Second World War suburbanisation in the USA. Examination of the relationship between the circulation of capital and postwar suburbanisation in the USA enables us to relate theory to the real world and illustrates how the restructuring of capital also involves a restructuring of space. According to this thesis, as a result of the inability of the domestic market to absorb the industrial surpluses that built up as the American war machine returned to peace-time production, other labour- and capital-absorbing activities were promoted by successive governments in the 1950s and 1960s, including suburban capital formation. By engineering a shift of investment into the secondary circuit, the state and specialist financial institutions avoided a crisis of over-accumulation in the primary circuit and simultaneously stimulated new demand for industrial goods in the housing and transportation sectors (Box 7.4). The role of government in promoting post-war low-

BOX 7.4

The over-accumulation crisis and post-war suburbanisation in the USA

The scale of post-Second World War peripheral expansion in the USA was unprecedented. Between 1950 and 1955, as the US population grew by 11.6 million, 79 per cent of the growth was in the suburbs, and the total volume of new suburban residential construction was three times that in the central cities.²⁴ This process was fostered by federal government housing and transport policy.

While the 1949 and 1954 Housing Acts laid out a strategy for slum clearance and the rebuilding of inner-city neighbourhoods, in practice federal subsidies flowed overwhelmingly to suburban housing development. In the period 1950–4 the number of low-rent public housing starts fell from 75,000 units to 20,000 units annually, while funding for private suburban housing was liberalised, with increased upper limits for Federal Housing Administration (FHA) home mortgage insurance and relaxed FHA loan terms for single-family dwellings in suburban areas. The electoral significance of the tax deductions associated with owner-occupied dwelling also acquired increasing significance as the level of home-ownership grew. As Badcock (1984 p. 135) observed, 'this powerful orientation in the US towards home owners at the expense of tenants, new construction in the suburbs in preference to the rehabilitation or selective redevelopment of inner city housing, and the largest builders in the industry, had far-reaching consequences for the metropolitan built environment'.²⁵

The federal highway programme was also of major importance to post-war suburbanisation. Between 1944 and 1961 the federal government allocated its entire transport budget of US\$156 billion to roads.26 The major commitment to highway construction was signalled in the 1956 Federal-Aid Highway Act, which provided 90 per cent federal support for the construction of the 65,156km (40,462 mile) Interstate Highways and Defence System. The urban expressway system, constructed as part of the interstate highway programme, served to connect dormitory suburbs with downtown office jobs. Equally important, the 1956 Federal-Aid Highway Act required that central city bypass routes be built into the urban highway network, and by the early 1970s more than eighty of these circumferential beltways had been constructed in the outer areas of US metropolitan areas.27 The enhanced accessibility of suburban highway-oriented locations attracted regional shopping centres, industrial and office parks, and apartment estates to the interchanges along the beltways. Berry and Kasarda (1977) estimated that between 1960 and 1970 the growth of blue-collar employment in the suburbs was 29 per cent compared with a loss of 13 per cent for the central cities; while for white-collar jobs the suburbs recorded an increase of 67 per cent over the period, compared with 7 per cent for the central cities. 28

The over-accumulation/under-consumption thesis aids our understanding of the suburbanisation process in the USA but is of doubtful relevance to the situation in Britain, where successive post-war governments have sought to control the outward spread of cities through the operation of a centrally directed planning system (see Chapter 8). In consequence the physical containment of British cities differentiates them from the leapfrog subdivisions and suburban sprawl of US metropolitan centres.

density suburbanisation by subsidising the costs of land development has also been explored for metropolitan Toronto, where, between 1955 and 1964, discriminatory public funding of highway and service infrastructure supported expansion of the outer suburbs.²⁹

The political economy approach affords valuable insight into the key processes and agents responsible for the production of the built environment of the capitalist city. This perspective has exposed the roles of and relationship among various factions of capital in influencing urban change. It also highlights the impact that economic and political processes located outside the territory of any particular city have on its internal structure and development. The political economy perspective has been criticised, however, for its apparent reification of the market, and for giving insufficient attention to *human* geography. This critique echoes the view of Form (1954), who argued that the *social* organisation of the land market was more relevant than economic models that depicted the city as a free market in which individuals competed impersonally. In a study of Lansing MI, Form identified the relationships between the dominant agents in the urban land market, and the ways in which each influenced land-use patterns. This viewpoint developed into the concept of urban managerialism. It also informed the humanistic critique of political economy which refocused research attention on the role of human agency in the production of the built environment (see Chapter 2).

MAJOR ACTORS IN THE PRODUCTION OF THE BUILT ENVIRONMENT

The land-development industry comprises a variety of builders, subcontractors, architects, marketing agents, developers and speculators, together with their legal and financial consultants. During the conversion of rural land into occupied housing a plot may pass through the ownership of at least five different actors: a rural producer, a speculator, a developer, a builder and finally a household. Assisting with land transfers at each stage is a set of facilitators, including real-estate agents and financiers. Finally, at local and central government level, planners and officials oversee the development process to varying degrees according to the prevailing social formation (Figure 7.10). The motives and methods of these participants vary considerably (Box 7.5). While bearing in mind the interrelated nature of the land-development process, we can, in the interests of clarity, examine the operation of several of these individual actors in detail.

SPECULATORS

Property speculators—either individual entrepreneurs or corporations—purchase land with the hope of profiting from subsequent increases in property values. Speculative activity is a characteristic of capitalist urban development that occurs throughout the urban arena. As we saw in our discussion of urban political economy, speculation in the central city can contribute to the creation of slums prior to revitalisation of a neighbourhood either through private-sector upgrading or gentrification or through publicly financed rehabilitation (see Chapter 10). The effects of speculative activity on the residents of the existing built-up area can be pronounced, often leading to displacement and the destruction of communities. The impact of speculative

development on land use is seen most starkly around the peripheries of cities. In the USA, the area under urban use is over 10 million acres (4 million ha), but 'twice as much land is withdrawn from other uses because of the leapfrogging which characterises much suburban growth'. ³² Leapfrog development usually occurs as builder-developers try to avoid land that is tied up in complex legal arrangements or is being held by speculators in anticipation of very high profits. Some indication of the level of profits possible is provided by the fact that in Los Angeles the price of residential land increased at a rate of 40 per cent per year in the late 1970s, in part owing to speculative activity. In areas

BOX 7.5

Major agents and motives in the capitalist

The motives and methods of different participants in the land-development process vary considerably. Participants include the following groups:

- Rural producers. Landowners, who are primarily concerned with the productive capability of their land, the most obvious group being farmers.
- 2. Speculators. These may own land that is still in productive use, but their basic interest lies in its appreciating value. (They hope to buy low and sell high.) Their decisions are based on financial considerations (such as depreciation rates, and the comparative viability of alternative investment opportunities). Speculators assemble land for subsequent development but can also withhold land from the market, thereby forcing prices up.
- Developers. These can be categorised as subdividers and builders. In the USA the
 former install basic infrastructure and facilities while the latter construct and sell
 houses on the prepared lots. In Britain the role of subdivider and builder is usually
 combined.
- 4. Households. Those who purchase or lease the units are motivated by the functional utility of the house as a place to live (use value) and the land-development process improvement, or at least maintenance, of the financial investment represented by their property (exchange value).
- 5. Real-estate agents. These purvey information and act as intermediaries between buyer and seller. Their rewards come from commission charged on each land transaction completed, so agents have a vested interest in promoting property transfers. Some estate agents also engage in speculation.
- Financiers. These provide the funds necessary to the development process. Their decisions are based on a combined desire to obtain the highest possible rate of return on an investment or loan and to minimise or avoid risk.
- Other facilitators. Other professionals involved include lawyers who represent clients in disputes that may arise during the development process, as well as consultants who advise other agents.
- 8. Government. All governments influence the process of urban development, although the level of involvement varies. In Britain a centrally directed planning system determines the framework within which local authorities operate. In North America local governments are less constrained by national legislation.

around expanding cities in Japan the multiplier between land values for agricultural use and urban use is over 200-fold, while around some British towns such as Reading in Berkshire the price of £2,000 per acre for agricultural land can rise to £1 million if planning permission for residential development exists. Such inflationary costs are, of course, built into the final purchase price for suburban housing.

On the urban fringe, the effects of land speculation constitute one of the most important impacts on land use. For agriculture, speculative land-holding can have both positive and negative effects. Beneficial interaction can occur through the rental back to farmers of farmland that has been purchased by non-farm interests. Provided that the lease conditions are not onerous, from a purely economic perspective it may be attractive for a farmer to rent land rather than to purchase it and encumber the business with a heavy mortgage, thus releasing more of the farmer's capital for improvements. On the other hand, rising land prices and land speculation make farm enlargement costly, and where tax is levied on land values, as in the USA, sales of surrounding land can push up property taxes. Tax pressures coupled with other urban shadow effects such as pollution, trespass, theft and vandalism may eventually force the suburban agriculturalist to sell out to speculators. The impact of potential urban development also affects land husbandry practices on the fringe. Where urban pressures are strong, farmers may become active speculators, disinvesting in their farms while anticipating a large capital gain from the sale of their land in the near future. Some farmers may 'farm to quit' or attempt to 'mine' the soil's fertility, while others may 'idle' their farmland. In the absence of effective landmarket regulation, leaving land idle may be a perfectly rational land-use response to the economic incentives created by the urban-fringe property market. Berry and Plaut (1978), for example, estimated that for every acre converted to urban uses in the North-Eastern USA another was idled owing to urban pressures. In Japan, one-third of paddy fields, amounting to 750,000 ha (2,900 square miles) are left idle by speculators in the hope of conversion to urban use. 35 Farmers living under less intense urban pressures may be involved in a more passive form of land speculation, watching the appreciation of land values with a view to selling for a large profit on retirement.³⁶

REAL-ESTATE AGENTS

Although the principal role of real-estate agents is as middlemen between buyers and sellers of property, some adopt a broader remit and may operate in the assembly of small land parcels for development or as speculators in the urban land market. ³⁷ Direct involvement in the land market can be particularly profitable during periods of inflation and can lead to manipulation of the land market. Gutstein (1975) found that in a resurgent inner-city neighbourhood in Vancouver in the early 1970s some properties were 'sold' several times in a single year between holding companies with the same owner in order to force up rent levels in the local market. ³⁸

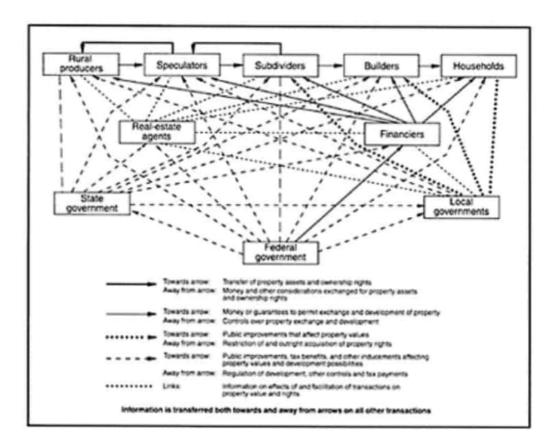


Figure 7.10 Principal actors in the production of the built environment

Similar instances of land speculation have been recorded in areas of racial transition where realestate agents also often play an active role in block-busting-a process whereby members of minority (black) groups obtain entry to residential areas previously reserved exclusively for the majority (white) population³⁹ (see Chapter 10). A real-estate speculator who has bought a property in a block is able to resell to a black family for a substantial profit when demand from the minority group reaches a critical level. 40 Frequently this initial sale stimulates existing home-owners to sell up (owing to fears about falling property prices and/or racial bias) and reduces demand from other majoritygroup buyers.41 It can be argued that the blockbuster is providing much-needed accommodation to groups that are discriminated against in the open housing market. However, in some cases the blockbuster is guilty of exploiting the anxieties of residents (possibly forcing them to sell below the market price) and the housing poverty of minority groups (who are willing to pay above market prices) to realise a significant capital gain. Foreman (1971) estimated that in Chicago during the 1950s and 1960s a small minority of real-estate agents triggered the blockbusting of 70,000 white families over a decade. 42 Similarly, Orser (1990) has described how the west Baltimore neighbourhood of Edmondson Village experienced real-estate blockbusting and massive 'white flight' in response to racial transition between the late 1950s and the mid-1960s. Over a period of less than a decade almost total racial change took place within one of the two census tracts, a new population of 11,000 replacing a previous population of $9.000.^{43}$

The social costs of blockbusting in terms of racial disharmony, resentment and harassment are less easy to calculate. Racial and ethnic steering by real-estate agents is a common practice that contributes to patterns of residential segregation⁴⁴ (see Chapter 18). More generally, real-estate agents can influence the social composition of neighbourhoods by directing people to particular housing areas on the basis of their perception of the market, their partial knowledge of the city, and the normal operating territory of their company.⁴⁵

FINANCIAL INSTITUTIONS

Financial institutions have grown in importance in both Britain and North America with the decline in private rented housing and the growth of home ownership. In common with developers, financial institutions seek to maximise profits and minimise risks. Since these opportunities are differentiated over the urban area, financiers adopt spatially discriminating lending practices, a fact that will have a significant impact on the location of new construction as well as on maintenance and improvements to existing structures. The practice of **red-lining** areas by mortgage lenders is well documented. Lambert (1976 p. 33) found in a study of Birmingham that 'the building societies deliberately steered clear of certain of the older areas...although they usually emphasised that there was no written policy which precluded houses in these areas'. A contemporary study of Leeds reported that an applicant for a building-society mortgage on a property in Headingley was informed that 'it was doubtful if a mortgage would be available...owing to the nearness of the *blue zone*'—that is, an area with a high proportion of students and immigrants (Weir 1976). A survey of mortgage finance managers in Bristol found that

all the managers had heard of red-lining...and said they did not practise it. One manager stated categorically 'we do not red-line'. Later in the discussion he pointed to the St Paul's area on the map and said that 'there are certain areas in the city in which we won't lend'.

(Bassett and Short 1981 p. 286)48

Discrimination has also been practised on racial grounds. In the USA, especially prior to the civil-rights legislation of 1968, bank lending to African-Americans was based on the twin criteria of residence in an established black neighbourhood and in a 'good area'. More recently, Stegman (1995) reported that African-Americans and Hispanics were 60 per cent more likely to be rejected for mortgage loans than whites even when financial and employment status and neighbourhood characteristics were controlled for. Such practices may be stimulated by economics as well as prejudice, since banks, concerned to protect property values in areas where they have invested, may be uncertain about the long-term effect on values of racial transition. This inherent need to minimise risk continues to influence the spatial pattern of lending practices. Harvey (1975) has demonstrated how various financial agencies in Baltimore segmented the city into a series of submarkets on the basis of the individual lending preferences (Box 7.6). The practice of red-lining areas perceived as poor risks has also been followed by the insurance industry.

Despite the passage of the US Mortgage Disclosure Act 1975, which requires lending agencies to disclose the geographic pattern of mortgage awards, discriminatory practices may continue largely through covert means such as discouraging wouldbe borrowers with higher interest rates, high down payments, lower loan to value rates and shorter loan maturity terms for property in red-lined areas. In Atlanta GA analysis of mortgage-loan decisions in the 1980s and 1990s revealed that even after controlling for differences in borrower characteristics 'prime conventional home-purchase capital avoids a broad swath of Atlanta's inner-city

BOX 7.6

Housing submarkets in Baltimore MD

Harvey (1975) demonstrated how various financial agencies in Baltimore segmented the city into a series of submarkets on the basis of their individual lending preferences. The table shows the specialised niche in the

	<i>Under</i> \$7,000	\$7,000- \$9,999		0,000-\$12, 1,999 \$14,			
Private	39		16	13	3 7		
State S&Ls	42		33	21	21		
Federal S&Ls	10		22	30	31		
Mortgage banks	7		24	29	23	12	
Savings banks	_		3	5	15	19	
Commercial banks % of city's transactions		1	1	2	3	7	
in category	21		19	15	20		

housing-price structure occupied by different lending institutions. Thus, for the lowest-grade housing, 81 per cent of mortgages derived from either state savings and loan (S&L) companies or from private arrangements. The higher perceived risk attached to this submarket made it unattractive to the larger banks and federal savings and loan firms.

The spatial expression of these lending practices is shown in the second table. Thus the inner city was heavily dependent on cash transactions and money raised from private sources. In the traditional ethnic districts of east and south Baltimore, small-scale community-based S&Ls) dominated housing finance. Middle-income white areas of north-east and south-east Baltimore were basically served by federal S&Ls. The affluent areas drew on the financial resources of savings banks and commerical banks as well as federal S&Ls, while areas of high turnover and racial change were characterised by mortage-bank finance combined with Federal Housing Administration (FHA) mortage insurance. The black community of west Baltimore, historically discriminated against, also relied heavily on mortage bank finance supported by FHA insurance even though in income terms it was broadly similar to those white areas setrved by federal S&Ls.

District	Total	Sales	Transactions by source of funds (%)						Sales Ave				
	ho	per									insur	ed	rage
	uses	100									(%)		sale
	sold	prop											price
		erties											(S)
			Cash	Pri	Fed .	State	Mort (Comm	Sav	Other	FHA	VA	
				vate	eral	S&Ls	gage e	rcial	ings				
					S&Ls			ank					
Inner city	1,199	1.86	65.7	15.0	3.0	12.0	2.2	0.5	0.2	1.7	2.9	1.1	3,498
1. East	646		64.7	15.0	2.2	14.3	2.2	0.5	0.1	1.2	3.4	1.4	3,437
2. West	553	1.51	67.0	15.1	4.0	9.2	2.3	0.4	0.4	2.2	2.3	0.6	3,568
Ethnic	760	3.34	39.9	5.5	6.1	43.2	2.0	0.8	0.9	2.2	2.6	0.7	6,372
1. E.	579	3.40	39.7	4.8	5.5	43.7	2.4	1.0	1.2	2.2	3.2	0.7	6,769
Baltimore													
2. S. Baltimore	181	3.20	40.3	7.7	7.7	41.4	0.6	_	-	2.2	0.6	0.6	5,102
Hampden	99	2.40	40.4	8.1	18.2	26.3	4.0	-	3.0	-	14.1	2.0	7,059
West	497	2.32	30.6	12.5	12.1	11.7	22.3	1.6	3.1	6.0	25.8	4.2	8,664
Baltimore					2210		WE 4		s la				
South Baltimore	322	3.16	28.3	7.4	22.7	13.4	13.4	1.9	4.0	9.0	22.7	10.6	8,751
High	2,072	5.28	19.1	6.1	13.6	14.9	32.8	1.2	5.7	6.2	38.2	9.5	9,902
turnover					N2011	-1-2-2		-		14.74			
1. North- west	1,071	5.42	20.0	7.2	9.7	13.8	40.9	1.1	2.9	4.5	46.8	7.4	9,312
2. North- east	693	5.07	20.6	6.4	14.4	16.5	29.0	1.4	5.6	5.9	34.5	10.2	9,779
3. North	308	5.35	12.7	1.4	25.3	18.1	13.1	0.7	15.9	12.7	31.5	15.5	12,330
Middle income	1,077	3.15	20.8	4.4	29.8	17.0	8.6	1.9	8.7	9.0	17.7	11.1	12,760
1. South- west	212	3.46	17.0	6.6	29.2	8.5	15.1	1.0	10.8	11.7	30.2	17.0	12,848
2. North- east	865	3.09	21.7	3.8	30.0	19.2	7.0	2.0	8.2	8.2	14.7	9.7	12,75
Upper income	361	3.84	19.4	6.9	23.5	10.5	8.6	7.2	21.1	2.8	11.9	3.6	27,413

Source: D.Harvey (1975) The political economy of urbanisation in advanced capitalist societies, in G.Gappert and H.Rose (eds) The Social Economy of Cities Beverly Hills, CA: Sage, 119–62

neighbourhoods, as well as suburbs perceived at risk for race and class transition' (Wyly 2002 p. 95).54 Despite the US Home Mortgage Disclosure Act 1995, and identification of expanding home-ownership as a national priority in the American Home-ownership and Economic Opportunity Act of 2000, red-lining of certain neighbourhoods remains a feature of the geography of housing investment in the city. Given the need for financial institutions to operate within a free-market environment, it is unrealistic to expect them not to engage in what they perceive to be 'economically rational' discrimination. 55 Nevertheless, the practice of redlining ensures that property values will decline, and generally leads to neighbourhood deterioration. It can also engineer a flow of investment away from inner-city areas towards more affluent suburban home-owners. In a study of Boston, for example, it was discovered that levels of reinvestment of savings deposits in inner-city communities were between 3 per cent and 33 per cent, compared with levels of between 108 per cent and 543 per cent in the outer suburbs. 56 This flow of capital to the suburbs reflects the wider interests and operations of mortgage finance institutions, many of which are involved in financing and controlling the suburban activities of large construction companies.57

GROWTH COALITIONS

While we have so far considered the major agents of urban change independently, in practice **growth coalitions** operate to foster urban development. These networks, or **growth machines**, ⁵⁸ exhibit several key characteristics:

- The critical actors in growth coalitions tend to be those fractions of capital which are most place-bound, such as rentiers, who rely on an intensified use of land or buildings in a particular area for enhanced profits.
- Growth-machine activists are concerned particularly with the exchange value of a place and tend to oppose government intervention that might regulate growth.
- 3. Growth networks are often combined private public coalitions that support themselves through local pro-growth bureaucracies. In the fragmented local government system of the USA (see Chapter 20), local growth elites can exert an influential role in electing local officials, 'watchdogging' their activities and scrutinising administrative detail. However, since local-government bureaucracies are also sensitive to citizen demands (for reasons of political legitimation), the pro-growth stance can be modified by popular pressure.
- 4. The power of pro-growth business coalitions over local political strategy is generally less in the UK than in the USA, in part because of a more centralised political and planning system, and greater central funding of local services. Nevertheless, over the period 1979–97 successive New Right governments in the UK encouraged greater private-sector involvement in local economic planning (see Chapter 16) and enhanced the power of business interests in the process of urban development.⁵⁹
- Despite a common commitment to growth, the composition of growth networks can vary from place to place and may extend beyond the capitalist class, with, in some cases, membership embracing labour (usually the construction trade unions) or minority groups.

6. Within the pro-growth coalition, fractions of capital can pursue strategies that impose negative externality effects on each other, as when the production of a new shopping centre leads to the decay of shopping facilities in older areas.

The main ideological battle is between pro-growth and anti-growth factions. The progrowth ideology proclaims that more development results in increased population, greater aggregate sales, more local tax revenues and more local jobs, owing to increased local spending. Benefits therefore flow to those who need employment and those in favour of lower taxes. The anti-growth ideology emphasises the other side of the coin: development brings more people to an area than local institutions can service, thus any downward trend in taxation is overcome in the later stages of growth by the need for greater fiscal expenditure. In addition, development produces pollution, traffic congestion and social pathologies such as higher crime rates. There is also no guarantee that new jobs will go to locals. ⁶⁰

In some cases, growth networks operate in a corrupt manner to exploit rapid development, as for example, when political leaders raise campaign funds by favouring business elites, or public officials receive payments in return for planning and taxation easements. 61 The ability of power groups to manage urban growth led Gale and Moore (1975) to formulate the hypothesis of the manipulated city, which contends that urban form is the outcome of conscious manipulation by an alliance of elite interests with social power. 62 The extent of the influence of elite coalitions is difficult to assess, however. In contrast to the more regulated process of urban development in Britain and Europe (see Chapter 8), in the 'free-market' North American city, growth coalitions of businessmen and municipal politicians have existed since the nineteenth century, supported by an ideology that considers urban growth and commercial growth to be partners. In Canada, in the early 1970s, half the aldermen on the city councils of Toronto, Winnipeg and Vancouver held occupational connections with development interests, and pro-growth parties held control of City Hall in each case. 63 In instances of financially weak cities the business/financial community can exercise close to monopoly control, translating their economic power into political power. The financial crisis of New York City in the mid-1970s is a classic example of how a financial coalition can benefit at the public expense. By 1977 20 per cent of New York's budget was committed to interest payments.⁶⁴ Similarly, in Cleveland in 1978 the oligopoly of business interests which formed the Cleveland Trust Company (which had interlocking directorates with major local steel, coal, utility and banking companies) was able to exact significant economic concessions from the city in return for arranging a loan. Globalisation has promoted a common 'growth discourse' among growth coalitions in many US cities based on the belief that entrepreneur-led effort is required for them to compete successfully for capital and jobs within a hypermobile global economy. The power of growth coalitions to influence urban development remains formidable. In Cleveland during the 1980s the growth coalition aggressively promoted gentrifying neighbourhoods along Lake Erie and the construction of a new downtown sports complex as catalysts to improve the local economic investment climate. In the process consideration of the effects of uneven development on disadvantaged populations was muted.⁶⁵ It is not surprising that Harvey (1971) characterised much of the political activity of the city 'as a matter of jostling for and bargaining over the use and control of the hidden mechanisms for redistribution'. 66 The

land-use changes that result from this activity involve an uneven distribution of the net costs and benefits of urban development (Box 7.7).

BOX 7.7

Externalities

Cities would not have appeared if the collective effect of land-use decisions were not beneficial. However, many of the effects of land-use decisions are negative in that they impose disbenefits on other land users. These negative externalities can take a variety of forms. They may, for example, arise from commercial invasion of residential areas or from traffic problems caused by the continued intensification of city-centre land use, or from the process of urban sprawl. As well as being unpriced, externalities are unplanned (in the sense that their extent and impact are not predetermined by a public agency). They are not always unintended, however, since the pollution of atmosphere or an urban river by a factory may be a deliberate attempt to transfer part of the real cost of production from the producer to society at large. Once the externality problem reaches a critical level, it is likely to provoke a public response in the form of planning intervention, the aim of which is to influence the market mechanism so that either prices are adjusted to reflect full social costs or outputs are controlled to a socially optimal level. Frequently local governments have to carry the costs generated by negative spillovers.

Another land-use problem related to the question of externalities is the free-rider issue. A free rider is defined as an individual who refrains from any active initiatives but who benefits from the activities of others. For example, once a neighbourhood begins to decline in status, individual property-owners will frequently, and quite rationally in individual cost-benefit terms, choose to do nothing in the face of the deterioration of their property, waiting instead for someone else to undertake improvements from which they, the property owners, will obtain positive externalities. In most cases the normal effect is that private renewal is postponed indefinitely as individual property-owners await the windfall gains, which in practice have little likelihood of appearing unless government rehabilitation programmes are enacted.

THE CENTRAL BUSINESS DISTRICT

The central business district or downtown is a principal element of all major models of urban land use. Although some CBDs experience fierce competition from business nuclei elsewhere in the city, most cities retain a strong downtown. Even the archetypal polynucleated metropolis of Los Angeles has a CBD.

The key characteristic of the city centre or CBD is its accessibility. Accessibility is a major factor in the locational decisions of central-city land users. Activities requiring an accessible location for their economic viability or functional efficiency tend to gravitate to the CBD. As neo-classical economic theory explains, different activities have different levels of demand for accessibility. The differential need for, and willingness to pay for, accessible sites determines the internal land-use pattern of the central city, with land uses placing greatest value on accessibility outbidding others for central city sites (see Box

- 7.3). The demand for central locations is translated into high land values, which in turn produce a high intensity of land use, expressed most visibly in the high-rise physical structure of the downtown created as developers seek to maximise use of costly sites. The CBD/downtown is typically:
- 1. the main commercial centre of the city;
- a centre of retailing;
- an area where manufacturing once concentrated and where light industry may still exist;
- 4. a locus for service industries, business offices and financial institutions;
- 5. a zone with only limited residential land uses.

Whereas early geographical studies of the CBD focused on the spatial delimitation of the area, ⁶⁷ more recent analyses have concentrated on the changing nature of the zone. Since the 1950s the character and land-use structure of the CBDs of cities in the UK and the USA have been transformed by several major economic and social processes. These include decentralisation of population (see Chapter 4) and of retail activities (see Chapter 12), deindustrialisation (see Chapter 14), increased socio-spatial polarisation and segregation (see Chapter 18), and reductions in the traditional accessibility of the central city associated with increased levels of car ownership (see Chapter 13).

Retail suburbanisation has meant that in many cities of the USA the downtown has become less of a retail and commercial district than an office commercial and cultural and entertainment complex. However, many city centres retain significant advantages for specialist shopping activities, being the point of maximum accessibility to the whole metropolitan area in comparison with the sectoral accessibility of suburban regional centres. Government activities and entertainment and cultural facilities that attract significant numbers of people on a regular basis are also concentrated in the city centre. Many city centres have also developed a strong tourist and convention trade function.⁶⁸ Furthermore, as we have seen in Chapter 4, in some larger cities a degree of reurbanisation is taking place. In several US cities, in addition to rehabilitation of decaying properties for residential use (see Chapter 11), revitalisation of the CBD has been aided by development of a major facility such as a sports stadium or performing-arts centre, that in turn attracts complementary service functions such as restaurants, hotels and retail outlets. The CBD also remains a major focus of office employment, notwithstanding the growth of 'suburban downtowns' or edge cities. Companies often locate their top management in the CBD even if they relocate clerical functions to the suburbs. Even in the electronic age of teleconferencing, corporate managers required to respond to rapidly changing market conditions find value in physical proximity to clients, consultants, bankers, government agencies and their competitors' headquarters. For some large companies (for example in law, banking or management consultancy) a prestigious downtown address (and distinctive building) assumes symbolic as well as practical significance. More generally, the skyscrapers of the CBD are symbols of both corporate power and the high land values embedded in the capitalist organisation of urban space. The attacks on the World Trade Center in New York on 11 September 2001 was a malign reflection of the symbolic power of architecture. The terrorists were attacking not only a landmark building but a symbol of American global capitalism.

URBAN ARCHITECTURE

Architecture and urban design are linked into the dynamics of urban change. As elements in the political economy of urbanisation, architecture and urban design:

- stimulate consumption by providing products for different market segments, from new office towers to festival shopping malls;
- promote the circulation of capital through the creation of a steady supply of new fashions in domestic architecture;
- aid the legitimation of existing economic and social relations by using the 'aura' of urban architecture to suggest the stability, permanence and 'naturalness' of the current urban environment.

Changes in urban form over time, from pre-industrial to post-industrial/postmodern cities, have been accompanied by change in the dominant form of architecture. In the nineteenth-century city, away from the mass of working-class vernacular construction, architects responded to the processes of industrialisation, modernisation and urbanisation with designs for new public buildings, factories, office buildings and mansion houses that rejected these contemporary processes of urban change and embraced classical features. The results are seen in the impressive edifices of Victorian railway stations and town halls that still dominate the centres of many cities.

A second major influence on urban architecture was the modernist movement, which has been characterised as a reaction against the extravagance of bourgeois Victorian society. Promoted by the ideas of William Morris in England and by Frank Lloyd Wright in the USA, **modernism** was boosted by the ideas of the German Bauhaus school (1919 32), which sought to employ industrial production methods, modern materials and functional designs to promote inexpensive architecture available to all citizens. The international impact of modernism on urban design was heightened by the Swiss architect Le Corbusier, who, in response to the challenge of the automobile age, conceptualised the city as a 'machine for living'. The most visible impacts of his grand designs on contemporary cities were seen in comprehensive redevelopment plans, high-rise building and urban motorways of the 1960s.

In contrast to Le Corbusier's high-density lifestyle, in the USA Wright's response to the automobile age was his low-density Broadacre City, designed on the basis of two new technologies: the automobile and mass-produced building using high-pressure concrete, plywood and plastics. The use of new technology and materials was especially evident in the downtowns of post-war cities, where glass-fronted façades that reflected their surroundings became popular for corporate buildings in the 1960s and 1970s. This 'late modern' period also produced buildings with dramatic geometrical forms and buildings that emphasised technology with exposed pipes, ducts and elevators.



Plate 7.2 The glass façade of an office building in Phoenix AZ, reflects the architectural style of the late modern period

The demise of modernist architecture was prefigured by criticism of the uniformity and 'dullness' of Corbusian tower blocks, ⁶⁹ and of the insufficient attention given to the needs of people for sociable living spaces. ⁷⁰ For some commentators the demolition of the prize-winning Pruitt-Igoe public-housing project in St Louis in 1972 tolled the death knell of modernist architecture. In contrast to the abstract formalism of modernist architecture, postmodern buildings were designed to be decorative and replete with symbolism. Postmodern architecture is eclectic, often combining ('double-coding') modernist styles or materials with historical or vernacular motifs as in 'neo-traditional' urban designs for upmarket resort communities such as Seaside in Florida, or in kitsch design as seen in 'authentic' Tudor inns.

In terms of the broader context of urbanisation and urban change, postmodern architecture (as well as postmodern culture and philosophy) emerged along with the development of global capitalism. As Harvey (1989) observed, although this transition and critique of modernism had been under way for some time, it was not until the international economic crisis of 1973 that the relationship between art and society was disturbed sufficiently to allow postmodernism to become the 'cultural clothing' of advanced capitalism.⁷¹ The property-development industry was quick to adopt

postmodern design, to promote product differentiation and to both create and supply demand from an increasingly 'consumerist' society. Postmodern design has also stimulated the preservation of historic buildings and urban areas, often linked with the growth of cultural industries and festival shopping developments. The dystopian side of postmodernism is seen most clearly in the proliferation of security and surveillance systems and the creation of 'fortress' architecture designed to exclude 'undesirables' such as rough-sleepers or panhandlers/beggars from parts of the city.⁷²

ARCHITECTURE AND URBAN MEANING

Early attempts to read urban meaning from architectural forms and styles regarded urban architecture as symptomatic of the social and cultural values of its age. Thus Mumford (1938) attributed the development of the avenue in the baroque city of the sixteenth century to the growing militarisation of society and consequent need for troop mobility. The difficulty of establishing unequivocally the social values underlying architecture led more recent researchers to analyse urban architecture as a product of specific dominant social groups rather than as a symbol of an historical epoch. While Mumford's attempt to read the city as a text is retained, it is related to particular groups, not to society as a whole. However, there is still a large range of possible interpretations of urban meaning to be derived from analysis of architectural form. The text may be read in many ways—for example, from the viewpoint of class conflict seen in the privatisation of public space, or from that of gender relations, as seen in the characterisation of domestic residential space as primarily a female domain. Further, while architecture can reveal the power of certain groups to influence urban structure, architectural analysis alone is insufficient to explain urban meaning.

The diversity of urban imagery also underlines the fact that urban meaning is created and can be manipulated. As we have seen, many actors, from estate agents to local authorities, have a vested interest in presenting places in their most favourable light. Urban meaning may also be contested politically by disadvantaged groups who seek to define urban space in ways that best fit their needs. This is seen in the diverse actions of urban **social movements** (see Chapters 20 and 29). In short, urban space is socially constructed.

THE SOCIAL CONSTRUCTION OF THE URBAN LANDSCAPE

The diversity of urban landscapes is a key feature of the postmodern perspective on urban development, although the explanation of how the variety of urban environments is produced runs counter to the economic emphasis of the political economy approach. Postmodernism regards all landscapes as symbolic expressions of the values, social behaviour and individual actions of people marked on a particular locality over time. The built environment of the city is seen as the product of a dialectic interaction between society and space. Postmodernism attempts to interpret the nature of this relationship. As we have seen, the approach has been likened to reading the city as a text written by a plethora of different authors which has a series of meanings embedded in it. Postmodern

analysis aims to read this text from the viewpoint of the different actors involved in its production.⁷⁶

The method may be illustrated by considering the concept of patterns of consumption, which is one of the most powerful processes in the urban socio-spatial dialectic. The different patterns of consumption enjoyed by different groups in society are reflected in the polarisation of the retailing landscape as a result of the segmentation of the market into different niches catering for different tastes, preferences and lifestyles. Patterns of consumption influence, and are influenced by, the nature of the physical landscape. The different urban landscapes are the result of this dialectic relationship between social practices and the physical environment. The same urban space can therefore have a different meaning for different social groups, a situation that can lead to conflict over the appropriate use of land. This is evident in debates over public and private space⁷⁷ (Box 7.8), and is clearly illustrated in the concept of the grade-separated city in which two different environments are interlaced within the architecture of the CBD. 78 On the outside—both physically and, often, socially—are streets, pavements (sidewalks), plazas and parks, while inside, 'eligible' citizens encounter skywalks, tunnels, concourses and atria. In many North American cities these two environments share the same geographic location in the CBD while functioning as separate entities, one under the purview of the local public sector and the other controlled by a loose collective of private-sector interests. The existence of grade-separated space redefines patterns of interaction between activities and between segments of the downtown population. As Byers (1998 p. 200) observed, 'in a sense, the downtown environment is turned inside out, or, perhaps more appropriately, outside in. Groups that once shared the same city streets are now spending their days in environments that rarely intersect with one another.'79 In the grade-separated city, distinctions in human-activity patterns between day and night, work-week and weekend, inside and outside, all help to reconfigure the way space in different parts of the CBD is used by different sections of the general public.

As we noted in Chapter 2, a major difficulty inherent in the postmodern approach is that the diversity of meanings attached to the urban landscape makes generalisation difficult if not impossible. Fundamentally, just as it is necessary to avoid reification of the economy as the sole force for urban change, so it would be equally short-sighted to view urban space as the product of the actions of voluntaristic agents free of 'structural' constraints. The urban landscape is the product of both culture and economy, and a proper understanding of urban environments must be based on explicit acknowledgement of this complexity.

In this chapter we have examined the major forces underlying urban structure and land use. The one actor in the urban development process not yet considered is, in some settings, the most influential. The state central and local government exerts both a direct (via planning regulations) and an indirect (via, for example, taxation policy) effect on urban form and structure. We consider this factor in the next chapter.

BOX 7.8

BIDs to privatise public space in New York City

The difference between the urban landscapes of rich and poor is illustrated by the growth of business improvement districts (BIDs) in New York City. A BID can be incorporated in any commercial area, and following the decline of city services in the wake of the fiscal crisis of 1975 a growing number of business and property owners have created BIDs to exert control over the quality of public space in their vicinity.

The Grand Central Partnership, a fifty-three-block BID established in 1988, employs uniformed street cleaners and security guards, runs a tourist information booth, has closed a street in front of Grand Central Station to create a new outdoor eating space, issues its own bonds and hires lobbyists to press the state legislature for supplemental funding.

Although the architects of this new urban space are apparent, the question of who can occupy the space is less clear. The city government agencies have approved the BID plans, but the local community board representing a variety of local business interests has objected to street closures, and has questioned the effectiveness of the BID services for the homeless and the brusqueness of their removal by the BID security guards. In 1995 an advocacy group, the Coalition for the Homeless, sued the BID for hiring out the homeless as security guards at below the minimum wage.

The Times Square BID promised to improve the run-down image of the area and promote a new public culture by establishing a 'community court' in a disused theatre, thereby enhancing community control over quality of life. When set up in 1994 the court dispensed community-service sentences for minor offences such as shoplifting and prostitution.

BIDs can be equated with an attempt to reclaim public space from the sense of menace that drives shoppers and others to the suburbs, but it is also the case that BIDs reconstruct public space in their own image and nurture visible social stratification by catering for a particular lifestyle.