

# Justice in the Neo-Liberal City

Susan S. Fainstein  
Graduate School of Design  
Harvard University

# The new context for urban ideals—from the 1960s to the 20-tens

## 1. The attack beginning in the 60s and 70s on top-down physical utopias

- The predations of urban redevelopment, highways and planning; the rise of opposition social movements
- Assaults on expertise from the left and on state power from the right
- The dreary model of Soviet urbanism
- The rise of ethnic/racial consciousness and rejection of a unitary public interest advanced by “disinterested” reason

## The new context for urban ideals (cont.)

### 2. From the late 1970s and 1980s onward—the restructuring of the global economy and its urban impacts further undermined comprehensive planning

- Deindustrialization and de-urbanization in the West undermined classic models that had reacted to the industrial city
- Enormous international migrations facilitated an ever louder discourse of racial and ethnic difference
- Social housing and *grands ensembles* were attacked from all quarters

# The impact of global economic restructuring

- The sharply increased mobility of capital and labor made public planning and control more difficult
- The final collapse of the Soviet empire also buried its counter model to capitalism; so too did the Chinese conversion to a form of state capitalism
- We have witnessed the rise to dominance of a neo-liberal ideology of market rationality and competitiveness—of necessary and inevitable competition among people, cities, regions or whole nations.
- “Market realism” and economic growth have come to crowd out other values and delegitimized the commitment to welfarism of the postwar years

## The planning response to repudiation of utopianism: communicative rationality (collaborative planning)

Collaborative/communicative planning is non-judgmental about outcomes, only judges procedures:

“My proposition is that a ‘good’ process will almost always generate a ‘good’ outcome, but absent a ‘good’ process, outcomes will rarely be **fair** enough (in the eyes of those affected), **efficient** enough (in terms of the time and money it takes to reach agreement and in terms of the gains to the parties achieved versus what was possible), **stable** enough (in terms of the willingness of the parties involved to live up to their commitments over time) or **wise** enough (in the eyes of those looking back at the information and analysis the parties had access to at the time) to justify.”  
(Larry Suskind, MIT)

# Just City model

- Does not exclude process considerations. 3 principles: democracy, diversity, and equity. But equity of outcomes receives priority.
- Critique of emphasis on process: can produce unjust results; is usually co-optive rather than transformative. Assumes away background conditions of inequality of power and resources. Literature on communicative planning evades discussion of structural inequality.

# What can we discover when looking at current situation in various cities in wealthy countries?

## Examples:

- New York: diverse, democratic(?), inequitable
- Singapore: planned integration, authoritarianism, complicated distributional outcomes
- Amsterdam: diverse, strong democracy, historical commitment to equity
- Vienna: weak diversity, democratic, equity threatened

# New York City: Diverse, Democratic (?), Inequitable

- Huge flow of immigrants, both legal and undocumented, by and large accommodated (over 3 million, about 37%)
- Active citizenry but development decisions dominated by real estate developer interests
- Increasingly skewed income distribution: In the nation, those earning over \$1 million per year realized 9.5 percent of total income in 2009, but in New York City their share was 26.7 percent (Source: NYC Controller's Office). In 2007, before the recession hit, 18.5% of the residents of the city's five boroughs lived below the poverty level. By 2012, 21.2% were living below the poverty line, defined as total annual income of \$23,283 for a family of four, while the top 1% had regained all the income lost during the recession.



Crown Heights, Queens, NYC



## Bronx Terminal Market





## Battery Park City



## Singapore: top-down planning; outcomes orientation

- Comprehensive planning; leadership by single party
- Public land ownership
- Combination of garden city (Ebenezer Howard) and radiant city (Le Corbusier)
- Housing Development Board (HDB) complexes as key driver of social and physical city:
  - Planned neighborhoods with prescribed facilities: green space, community center, food court, recreation venue
  - Very high densities in high rise apartment buildings
  - Ethnic integration policy (EIP)
  - Minimal welfare state
  - High inequality but little extreme poverty among citizens

## Comprehensive planning: neighborhood amenities





## Social engineering: Singapore HDB housing



## Singapore new financial district





# Amsterdam

- Comprehensive planning; strong democracy
- Public land ownership
- Combination of garden city and historic preservation
- Social housing
  - Used as instrument for land development
  - Originally almost all new postwar housing but now about 30% of new construction
  - Some ethnic clustering and increasing economic segregation
- But Amsterdam is retreating from this model: end of district government, little new social housing, emphasis on Zuidas megaproject—“a normal city”



## Amsterdam begijnhof



## Amsterdam: social housing, “garden suburbs”





## Amsterdam Zuidas



# Vienna

- Postwar period: similar path to Amsterdam; social housing emphasis
- Post 1989: Rethinking of planning objectives—emphasis on entrepreneurship, PPPs, high-rise development; establishment of WED AG as development corporation
- End of Red Vienna?
- The city retained a commitment to social housing, at same time as flexible business-friendly and project-driven strategies shaped new development. The city's approach to – and the affordability of – public or publicly subsidized housing has become an increasingly contentious issue.

## Social housing Vienna





## Public Spaces in the Donau City (Photo by Johannes Novy)



# Are the achievements of social democracy and guided social integration still possible?

- Context matters; 2 very different historic paths; role of perceived necessity; modes of government; geographic locations
- General principles:
  - Public ownership of land creates potential for good planning and for equity
  - Diversity can be handled in different ways
  - Democracy?
- Can the European model (Amsterdam, Vienna) withstand financial crisis, neo-liberal attack:

In relation to the broad issue areas of urban planning and design, values of equity, diversity, and democracy may pull in different ways. In each of these crucial policy arenas, context and historical moment make the choice of the most just policy indeterminate. Nevertheless, it is still possible to specify criteria by which to formulate and evaluate policy even while we cannot enumerate policies independent of context.



## In furtherance of equity

- Mega-projects should be subject to heightened scrutiny, be required to provide direct benefits to low-income people in the form of employment provisions, public amenities, and a living wage, and, if public subsidy is involved, should include public participation in the profits.
- Planners should take an active role in deliberative settings in pressing for egalitarian solutions and blocking ones that disproportionately benefit the already well-off.

## Types of interventions that planners should propose:

- All new housing development should provide units for households with incomes below the median, either on-site or elsewhere, with the goal of providing a decent home and suitable living environment for everyone.
- Move away from demand-side subsidies to increasing supply of affordable housing and avoid residualization
- Economic development programs should give priority to the interests of employees and small business owners.

## Conclusion

- Wide variation of policy in cities of world within capitalist political economy shows potential for creative state role.
- Justice as governing principle causes different discourse from competitiveness.