

# **GOVERNING IN AND AGAINST AUSTERITY: INTERNATIONAL LESSONS FROM EIGHT CITIES**



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# GOVERNING IN AND AGAINST AUSTERITY: INTERNATIONAL LESSONS FROM EIGHT CITIES

For decades, cities across the world have been grappling with budget squeezes, public service cuts and waves of institutional restructuring. For many, the 2008 financial crisis marked a new and intensified phase, for which former British Prime Minister David Cameron coined the term “age of austerity”. The research discussed in this report explores the myriad ways that the age of austerity is experienced, interpreted, governed and contested in cities, framed by longer-term crises of industrialism and the post-war welfare state. We conducted our study in eight very different cities: Athens, Baltimore, Barcelona, Dublin, Leicester, Greater Dandenong (Melbourne), Montréal and Nantes. In each city, we spoke to a wide range of people including elected politicians, public officials, business leaders, voluntary and community organisations, services users, anti-austerity activists and trade unionists. In this report, we discuss key findings from each city.

For some of our cities, a great deal has changed since we began – indeed our research has tracked important changes over time. Following the Brexit referendum in June 2016, the UK abandoned its paramount “age of austerity” goal of rapid deficit elimination (currently rescheduled for 2025). Yet, for British cities budget cuts and restructuring continue unabated. Although a badly weakened May government is wavering, the reality is that austerity goes on. The same

is true of Dublin, where a centralising austerity government faces newly vibrant anti-austerity movements. Greece mounted a national popular struggle against austerity centred on Athens, only for the anti-austerity government to capitulate in 2015, when confronted with the prospect of leaving the Euro. After decades of racially inflected austerity, and the 2015 revolt against police violence, Baltimore now has to contend with Donald Trump’s overt hostility to “sanctuary” cities. Yet Spain has witnessed a renaissance in urban politics, with anti-austerity platforms governing four of its five largest cities, including our case study of Barcelona. Here, the talk is of a “new municipalism”, linked to the radicalisation of participatory democracy. Nantes too seeks to radicalise participatory governance, but in the very different context of an energetically entrepreneurial governing strategy. With its own politics fragmented, Montréal has to navigate a multi-tier system in which the Federal government now professes to have rejected austerity, while the province of Quebec remains committed to it. Australia’s one attempt to pass a full-blooded austerity budget under former PM Tony Abbott came to nothing, but our case study city of Greater Dandenong nevertheless operates in a fiscally conservative environment, with a variety of crises seen to be looming on the horizon as revenues fall and demands on budgets increase.

Diverse as they are, the case studies focus on a common problem: who defines, governs and resists austerity, its variants and cross-currents? How do they do it, through what kinds of alliances between governmental and non-governmental actors? Are collaborative forms of governance between government, citizens and civil society viable in conditions of austerity, or is this something only for “good times”? What potential do we see, despite austerity, for just and emancipated cities? The following vignettes capture some of the answers emerging in response to these questions. How cities respond will be crucial in shaping the future for all of us.

Our purpose in this report is to capture the urban experience internationally, in order to provoke dialogue and exchange through which local people can learn from what is happening in different places. These are the challenges, opportunities and threats – for good or ill – revealed through juxtaposition and comparison. To this end, the report supports a series of workshops in our eight cities over the next few months, designed to facilitate exchange and learning. We will report the outcomes from these exchanges on the CURA website at <http://cura.our.dmu.ac.uk>, and on our twitter feed @cura2015. We hope participants find the report and key messages useful, especially as a way of encouraging international dialogue and learning.

## Key messages

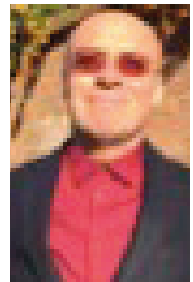
1. The 2008 crisis hit cities very unevenly, even those at the European epicentre. Not all recognise the language of “austerity” as applicable.
2. As might be expected, austerity cuts, welfare reforms and housing foreclosures hit the worst-off hardest of all. In some cases, austerity hits the middle classes too.
3. What happens in cities matters. Cities affected by crisis and austerity respond in varied ways. Urban histories, economies, traditions, struggles, conflicts and geographies make a big difference to austerity politics.
4. Forms of collaborative governance vary widely on a continuum from those concerned with radicalising participatory democracy to those preoccupied mainly with managing austerity and maintaining state control.
5. For several locally distinctive reasons including political centralisation, social alienation/public disaffection, institutional instability and organised resistance, austerity weakens the prospect for building strong, inclusive and equitable social partnerships between governments and citizens.
6. Austerity cuts are damaging to grant-dependent local voluntary and community groups. This finding reveals an austerity paradox. Governments demand greater levels of citizen activism, while making it harder to achieve.
7. At the same time, austerity concentrates government resources in large third sector organisations, with little connection to locality. The capacity of these larger organisations to campaign and influence policy is itself reduced.
8. Austerity governance therefore tends to be either hierarchical and state-centred, or rooted in “elite” partnerships involving governments, business leaders and NGOs.
9. Branding and place marketing is central to urban growth strategies for coping with and moving beyond austerity. Some cities selectively integrate cultural and ethnic diversity into their branding.
10. However, growth alone cannot compensate for austerity. There is an ever-present tension between the realities of urban development and the idea of a socially just, inclusive city.
11. Cities cannot avoid fallout from international crises and national austerity measures, but some do adopt strategies that diverge from those of regional and national governments.
12. Crucially, there can be political alternatives to austerity, even in cities severely affected by spending cuts and fiscal centralisation.
13. Resistance to austerity is very uneven. Given a felicitous alliance between electoral and grass-roots anti-austerity forces, a “new municipalism” is possible. However, the attempt to challenge austerity at the city level encounters hostility from national and regional governments, as well as corporate and media forces.
14. Linking opposition movements and building alliances between cities, social movements, workplace and community organisations capable of challenging higher tiers of government will therefore be crucial, if anti-austerity forces are to succeed.

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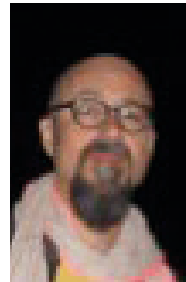


## THE PROJECT TEAM

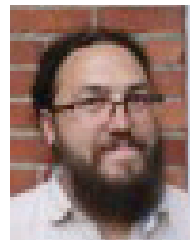
The project team comprises an international consortium of investigators and research assistants, representing eight countries and ten institutions.



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# ATHENS: THE CENTRE OF EUROPEAN AUSTERITY

The City of Athens is one of 66 municipalities in the Attica region of Greece, with a central population of approximately 660,000 and metropolitan population of some 3.9 million. The City Council is controlled by a pro-austerity centre-left coalition, with the city mayor also backed in the elections by the conservatives. The Mayor is the key figure in the Council, setting municipal policies with a relatively free hand.

Among all European cities, it is in Athens that austerity bites hardest. The global financial crisis of 2008, and economic depression that followed had a devastating impact on Athens, leading to population decline. The numbers of homeless in the Athens metropolitan area rose to an estimated at 9.100, while the Region of Attica recorded the largest fall in household disposable incomes anywhere in the EU. Municipal indicators show that a total of 26.1% of the population subsist at income levels below the poverty threshold and a further 8.1% experience severe material deprivation.

The city centre is the fulcrum of the crisis. The majority of street work with the homeless in the region is taking place in the centre, with the most powerful anti-austerity protests occurring in the same places. This juxtaposition makes the city centre the focal point of both the human crisis of austerity and the multiple forms of resistance to it.

## Budget cuts severely undermine municipal governing capacities

In the aftermath of the 2008 events, and to avoid a solvency crisis, the government agreed a series of loans with the European Commission, the European Central Bank and the IMF. The austerity-centered fiscal adjustment logic that followed the loans, triggered a seven year long and ongoing recession, during which the economy lost a cumulative 27 per cent of its GDP. Athens was disproportionately affected by the crisis, and it has been disproportionately affected by years of austerity too. Between 2010-2017, the municipal budget has been slashed by over 20 per cent due to cuts in national government grants and a significant fall in tax revenues. As a public official put it, *“we had 12.000 employees and now we have 7.000. [...] What do you do in such a case? Do you shut the municipality down? You have to react, for sure, but within a framework”*.

In response, the municipality of Athens began to re-organize municipal administrative structures and services in an attempt to cut costs. The application of strict cost and revenue controls is visible in the City's debt elimination scheme, expected to settle almost all municipal liabilities by 2019 via steadily increasing budget surpluses and new sources of income. As municipal fiscal responses go over and above bailout conditions for balanced budgets and limited debt exposure, austerity in the case of Athens is, to some extent, a political choice.

Historically, the governance of Athens has been very state-centred, and partnership governance weak. As we explain below, this approach has changed significantly under austerity, as the city opened up to the influence of corporate and elite third sector organisations.

## Under Austerity, Athens is governed through a new form of Elite Pluralism

Under austerity, Athens has sought to develop new partnerships, particularly in urban regeneration, economic development and social policy. These processes feature transnational organisations, major corporations and NGOs as key partners, reflecting the rising prominence of “philanthrocapitalism” in the city. For example, the ‘Solidarity Hub’, the most prominent municipal social policy scheme, is a venture with an NGO called Solidarity Now, established in 2013 by George Soros’s Open Society Foundations (OSF). Similarly, Samsung funds ‘Innovathens’, a municipal economic development initiative in the tech sector. This mode of governance has even influenced the way the City plans for its future. Athens bid successfully for participation in the 100 Resilient Cities (100RC) global network - sponsored by Rockefeller Philanthropy Advisors - in an attempt to gain access to experts and resources to address the crisis. Thus, the “collaborative turn” in Athens occurs mainly among a limited range of “elite” corporate and NGO partners.

The new austerity governance in Athens is best understood as a form of *“elite pluralism”*.

Collaborating with NGOs in this way is seen as a pragmatic way to ameliorate social deprivation. According to local politicians, the City Council is now the institution of last resort, obliged to respond only when everything else fails. A councillor commented, *“they moan because we work with NGOs. Ok, find us another way. It's not the memorandum or austerity; it's necessity that drives us. [...] We made a choice! The municipality of Athens is taking care of 20.000 people. You can't just ignore that, or let it go by. [...] If someone says I won't do it because that's not the right way forward, well he/she is taking a risk, we don't”*.

This context of elite pluralism, combined with EU and nationally mandated austerity, means that the capacity of the municipality to develop a policy framework reflecting local interests is severely constrained. It is conditional on the extent to which local goals coincide

with the priorities of state funding bodies and philanthropies – a common feature of collaboration elsewhere in Europe and the USA. In Athens, the rise of elite networks involving city and NGOs has been neither progressive nor democratic. This mode of governing is forcefully rejected at the grass roots.

### Athens has witnessed an explosion of Informal Grass Roots Organisations against Austerity

Athens' compliance with austerity has spawned new forms of resistance. The city was the focal point of mass anti-austerity struggles in Europe for several years after 2010, centered on the organizing power of the trade unions and the political dynamism of Syriza, then an upcoming opposition party of the radical left. However, this antagonistic movement has lost much – though not all – of its momentum. Trade unions were deeply affected by austerity as high unemployment reduced their membership and undermined their organizing capacity. As commented by a trade unionist, *“during the last years we organized more than 40 general strikes and ... I personally think that because of the crisis, unionism suffered a strategic defeat; we couldn't offer an alternative to austerity, a way out”*.

Disillusionment prevailed when Syriza took office and the new government adopted austerity in July 2015. Since then, new solidarity networks have asserted themselves in the social and political landscape. More than 2.500 grassroots schemes have emerged in Greek cities, signifying the rise of a diffuse network that has a prominent presence in Athens.

*“During the last three years [2013-2016], grassroots initiatives in Athens more than doubled .... These are groups that operate informally on principle, and only a few turn into NGOs. They don't want to have any dealings with the state or with handling funds. They just want to offer a way out to the crisis”* (VSO respondent).

The sheer diversity of goals and practices that characterize Athenian grassroots initiatives – from social medical centres and alternative currencies to social cooperative enterprises and community kitchens – makes classification a futile exercise. Still, we find common traits, notably informality and antipathy to formal structures and institutions associated with austerity. Even groups that acquired a legal form to participate in fundraising bids operate along self-organised and voluntary lines. Informality made sustainable by social media and the presence of dedicated web platforms, such as *“volunteer4Greece”* and *“solidarity4all”*, which communicate grassroots activities and needs to an increasingly receptive public. Moreover, ‘volunteerism’ complements ‘informality’ as a key trait of grassroots’ mobilization, shaping a rebellious political stance that feeds on ever-growing marginalization from formal structures and institutions. According to a local activist, *“volunteerism is a form of resistance. It's a statement, exposing the absence of the authorities from where they are needed; it's a way to show and deal with the problems the city is facing”*.

However, it is important to note that this dynamic associational realm has not developed the kind of synergies necessary to mount a counter-offensive against austerity. Athenian social solidarity networks are predominantly

small-scale schemes, run by a few people with all their energies focused on managing the human crisis. Such traits impede the renewal of confrontational and transformative politics through this network. As one volunteer put it, *“...when the ‘what can we do’ issue comes up, the answer is ‘small things, small acts’, and the reason is a very pragmatic one. We don't have the time and the energy for anything more; we try so hard on a daily basis to simply make ends meet”*.

### Anti-austerity networks reject collaboration with the state and NGOs

Informality is one common trait among these anti-austerity networks; rejecting communication and cooperation with the authorities is a second. Unlike traditional struggles, for example those connected to formal politics through the Communist Party, these activist networks studiously avoid agents, practices and institutions associated with austerity, even the less radical elements. As a respondent from the network observed, *“there's this growing realization that we're on our own, under no protective umbrella of any formal authority or institution. Not only that, but that we're actually against them. Hence the shift towards self-organisation. [...] The election of SYRIZA and the great disappointment that followed it, shattered any remaining illusions that there's a chance for a way out via formal politics and institutions”*. Not a single grassroots' group or network is participating in any municipal collaborative arrangement, despite attempts by the City to reach out to the informal associational realm (see synAthina).

The 2015 national referendum made an already difficult relationship worse. Voters were asked on whether to approve of the austerity-laden bailout conditions jointly proposed by the country's creditors. The Mayor's leading role in the national campaign to accept EU demands broke any remaining links. According to a community activist, *“the referendum wasn't about the Euro or Grexit. It was about austerity. You can't stand out as the main proponent of the ‘yes’ vote, as the mayor did, knowing that what we stand for is negated by the ‘yes’ vote”*.

In summary, seven years of austerity have demolished bridges between the local state and citizen activists. In this situation, there can be no meaningful social partnership to govern austerity. Austerity has rather spawned new elite networks, into which activists cannot be absorbed. In Athens, civil society is increasingly bifurcated: on one hand global NGOs in partnership with the city and state, on the other grass-roots organisations refusing to cooperate – but with little organizing capability. So far, unlike Barcelona, however, these grassroots forces have not crystallized into a city-level or national movement, or made links with more traditional – though increasingly episodic – forms of organised struggle.



## BALTIMORE: AN INIQUITOUS “TWIN TRACK” CITY

Baltimore's population of 615,000 has declined by more than a third from its 1950 peak of 950,000. Household median income is \$41,000, compared to \$74,000 for Maryland. As of 2015, nearly a quarter of the city's residents fall below the federal poverty level. Those in receipt of Supplemental Nutrition Assistance Program ('food stamp') benefits doubled from 11,000 in 2006 to nearly 22,000 in 2013. At the beginning of 2008, Baltimore's unemployment rate was 5.6%, rising to a post-crisis peak of 11.4% at the start of 2011, which by January 2017 had fallen back to 6.5%. The city is economically and socially isolated from its wealthier neighbouring counties in the Metro Baltimore region, population 2.7m. The region is on the upswing economically, but stability and prosperity are distributed highly unequally across spatial, racial and community lines.

The city's racial composition is 64% African American, 32% White and 6% Hispanic/ Latin/ Asian. Baltimore is a longstanding Democratic Party stronghold. Since election of its first African American Mayor (Kurt Schmoke, in office 1987-99) all Mayors except Martin O'Malley have been black women. Since the presidential election of November 2016, both the outgoing and current city mayors have affirmed Baltimore as a 'welcoming city' for immigrants and refugees, facing down Donald Trump's threats to withhold federal funds from 'sanctuary cities'. However, despite this progressive gloss, Baltimore is deeply polarised along class and racial lines, uniquely so among our cities.

As one interviewee explained, *“inequality in Baltimore is so much grosser than it is in the nation as a whole... and it's cut on racial lines, which makes it all the more obvious and all the more oppressive”*.

### Baltimore has been in the grip of “Austerity” for Decades

As the preceding employment indicators show, Baltimore was hit hard by the 2008 crisis. However, the fiscal squeeze started long before the latest crisis, and has continued unabated. As one respondent commented, Baltimore *“is used to austerity and functions like that all the time”* The enduring 'fiscal squeeze', resulting from a shrinking tax base, declining state and federal grants, and increasing service needs is interpreted simply as a *“harsh reality”*. One respondent captured the nature of Baltimore's structural crisis in the following terms:

*“We don't have an economy to support our citizens. We have a tremendous amount of racism institutionally in how we've been planned as a city, how our institutions function as a city, and the lack of resources and leadership to really do some reconciliation that's necessary, but then also address the 50 plus years of delayed investment in, not only neighbourhoods, but institutions of our government and our schools. And we have a huge human capital problem starting from birth on, and very few*

*pathways for the majority of residents to really access any opportunity, whether it be schools or health or decent housing - and obviously, they're all interconnected”*.

### The 'Triage' Investment System: Investors prioritise some neighbourhoods, while abandoning others

The City's approach to decades of fiscal squeeze has been to try and increase revenues and reduce public spending, as well as seeking to partner with local 'ed and med' institutions and philanthropies to integrate development and spending priorities. This approach has led to a highly selective focus on economic development, centred on the growth needs of 'anchor' institutions – major local employers, like Johns Hopkins University, that are strongly rooted in the city.

The primary goal is to de-concentrate poverty through attracting and retaining the middle class to live in the city (gentrification) combined with relocation (dispersal) and social mobility initiatives for the poor (economic inclusion). Investment decisions are based on a “triage” system, prioritising neighbourhoods deemed to have some existing potential for development, while de-prioritising the most distressed and the most prosperous areas. The most deprived neighbourhoods not perceived to be economically viable, usually with majority African American populations, are 'written off' and 'contained', thus intensifying class and racial polarisation. In this context, participatory mechanisms for grassroots organisations and citizens, such as negotiating the terms of relocation or community benefits agreements, have been scarce and tokenistic. More recently, economic inclusion strategies seeking to harness local benefits from meeting anchors' employment and procurement needs are being rolled out across the city.



## Baltimore is Governed Opportunistically by Elites

Baltimore is highly unusual by traditional European standards - both in terms of the opportunistic way in which policy is determined, and in terms of the elites that wield governing power, comprising the City Mayor and key officials, along with the city's anchors and philanthropies. The city is a longstanding example of the "elite pluralist" arrangement now emerging in Athens.

This form of governance has created a stark schism between Baltimore's mostly white-led non-profit sector and its activist community, who spoke of the city's '*non-profit industrial complex*'. A government official accepted that the '*whole infrastructure here of non-profits and others... co-opt community voice and say, this is what the community wants*'. Longstanding activist and advocacy efforts have been augmented by new social movements and issue-based activism. Their primary focus is not the fiscal squeeze, as such, but rather the manifestation of injustice in the form of police violence and economic marginalisation.

## Baltimore's uprising: A Renewed Demand for Social Justice

In April 2015, Baltimore's uprising, which made global headlines, occurred after the death following injuries sustained whilst in police custody of a young black man, Freddie Gray. All those interviewed acknowledged the uprising as an outcry against the city's inequities, and saw it as heightening the need for a more authentically inclusive form of governance. Some suggested that elites have

started to work more collaboratively as a result: *"businesses and philanthropic organisations and the institutions are really stepping forward and saying we've got to do more collectively"*. Others were more cautious: *"it's going to take courage... because these are systematic, inequitable things that are so entrenched in this city that we really have to blow this thing up and do it the right way"*. However, it seems that any impetus for social justice may already be diminishing in the ebb-tides of the uprising.

## From the Rhetoric of Change to Business as Usual?

It is clear that while there has been some adjustment in style and tone, the goals and fixes pursued in the city remain largely the same. One interviewee cautioned that 'economic inclusion' initiatives are *"taking the pie and cutting out a slice for the groups that aren't benefitting - it's not pulling them in"*. These initiatives contrast with *"community wealth-building"* and ownership programmes, advocated by more radical activist groups. This was presented as a *"parallel structure, a parallel narrative... [a] vision of community empowerment from the grassroots up, as opposed to seeing black folks as appendages of a neoliberal wave"*.

However, many activists do not regard city government as being capable of providing the necessary leadership. Their scepticism seems reasonable, though there was some recognition of efforts 'to educate residents around the role of city government today, that it is not everything'. City budget workshops were cited as 'an example of at least having community engagement that our police officers don't do'.

Our activist respondents talked a lot about a "twin-track" mode of governance in Baltimore, illustrated by the contrasting experiences of the Port Covington and Sandtown neighbourhoods. Port Covington, the city's current waterfront megaproject, has approvals for \$660 million of tax increment financing, the biggest financing package in Baltimore's history. Redevelopment of this 80 hectare area of former rail-yards and industrial land is envisaged as creating 'a city within a city' of homes, offices, retail space and parkland, housing 10-15,000 new residents. In contrast, Sandtown in West Baltimore, one of the city's most stressed neighbourhoods and the locus of the April 2015 uprising, now forms an initial focus for Project CORE, the State and City's demolition and redevelopment initiative which removed 400 blighted properties in 2016. Some saw this approach as common sense, *"when you allow that much disinvestment, there's no other choice but to take it down"*, and as presenting new opportunities, such as for greening the city. Others saw it as business as usual, *"insensitive of our community... not even considering the issues that gave us blocks and blocks of blighted properties... a slow gentrification process"*. The riots have led to a change in tone, but what else? As one interviewee commented, *"the conversation may have changed but the systems aren't changing"*

## What's Next? Local Action and Police Reform are Crucial

Yet, most respondents found reasons to be hopeful about the city's future, though opinions diverge about the way forward. Some stressed the need for consensus, *"ways of partnering in a positive manner"*. Others, embedded in the politics of resistance, stressed the need for a more adversarial approach oriented to thoroughgoing transformational change. The voice of black, young activists *"trained outside of the local non-profit formula"* has clearly become stronger since the uprising. The strength of local action will therefore be a key determinant of what happens next.

Unsurprisingly, addressing the policing crisis was seen as a prerequisite for other progressive changes in the city, as one interviewee explained: *"Police-community relations... I think everything else is so minor... that developer developing Port Covington don't have absolutely nothing to do with my day-to-day existence... But I'm getting those kinds of conversations in my life all the time now - so and so got shot the other day... Why would anybody think those kinds of conversations in America are acceptable? They have become the norm and I don't want them to be the norm"*.

The divided city of Baltimore is extreme by the standards of our other cities – even Athens. Ultimately, the research points to the critical need first to disclose and recognise the iniquitous divisions afflicting the city, and then find equitable pathways to reconciliation. Escaping the relentless fiscal squeeze, and the violence and destitution associated with it, would be an enormous step forward. The city is at a crucial tipping point.



## THE RETURN OF THE LEFT: BARCELONA AND THE NEW MUNICIPALISM

Barcelona is the capital of Catalonia, a region with a powerful national identity in the northeast of Spain. With a population of 1,608,746, it is the second biggest city in the country, after Madrid. Since the Olympic Games in 1992, Barcelona has become a tourist hotspot. The strength of its tourist sector, together with a highly diversified and internationalised economy, makes it one of the most prosperous cities in Spain.

The economic crash of 2008 hit the socio-economic structure of the city very badly, provoking a sharp increase in poverty, social exclusion and social inequalities. The unemployment rate rose to 18.6% in 2012 (23.8% in Catalonia; 25% in Spain). The at-risk-of-poverty rate reached 18.2 in 2011 (20.5 in Catalonia; 20.6% in Spain). Income inequalities rose sharply in the years of the economic recession and the gap between the household disposable income of the richest and the poorest neighbourhoods grew rapidly at the same time. Despite signs of economic recovery, the legacies of the crisis are ever-present in terms of job insecurity, public sector retrenchment, housing exclusion and social and spatial polarisation.

The politics of Barcelona have changed dramatically since the start of the crisis. After 32 years of centre-left city government led by the Socialist Party of Catalonia (PSC), the local elections of 2011 brought a conservative coalition to power, led by City Mayor Xavier Trias (2011 – 2015). The 2011 election

accelerated a long and deep decline of PSC, evident since the 1990s. In 1991, the PSC won 21 of 41 seats on the City Council and 42.95% of the total vote. By 2011, its share had declined to 22.14% and 11 seats, losing power for the first time since the foundational post-Franco democratic elections in 1979. In 2015, the PSC experienced a further dramatic collapse, winning only 9.63% of the vote and 4 seats, finishing in fourth place. In its place, the radical left has seen a dramatic revival, through the Barcelona en Comú coalition (BeC).

### A New Chapter: The Indignados and the Rise of the New Left

The eruption of the Indignados movement (also known as the 15M movement) in the spring of 2011 began a process of resurgence and re-articulation of the left in the city culminating in the electoral victory of Barcelona en Comú in the elections of May 2015 and signalling the dawn of what some people call “the new municipalism”.

Barcelona en Comú is a radical left political platform born in 2014 from a variety of old and new social movements and political organisations. Ada Colau, the former leader of the anti-housing eviction movement, is the charismatic leader of this coalition and the current City Mayor of Barcelona. In the elections of 2015, BeC obtained 25,1% of total votes, winning in 53 out of the 73

neighbourhoods of the city, and achieving particularly good results in the lowest-income districts. Four of Spain's five biggest cities are now governed by anti-austerity coalitions, including Madrid, with a significant influence on the tone of national politics.

### Lessons from Barcelona: There is an alternative to Austerity!

The emergence of Barcelona en Comú reflects both the intensity and the depth of the crisis affecting the whole of Spain, and the strength of progressive social movements and political organisations rooted in urban life. We found a widespread consensus that the 2008 crisis differs from previous crises, because of its depth and its multi-dimensional character.

*“This crisis, as it seems to me, marks a ‘before and after’ for many people, in their perception of the economic system in which we live and of the democratic system, the politics that we have lived”* (Journalist)

The crisis has generated three main types of political response in Spain: conservatism – a pro-establishment stance led by the old conservative and social democratic parties; separatism – the huge Catalan independence movement; and the radical left, rooted in the municipalist tradition, and reinforced by the impetus of the Indignados movement and related mobilisations against housing evictions. The confluence of the separatist and the radical left movements in Barcelona – with many points of intersection and conflict between them – has made the city of Barcelona perhaps Europe's most significant stage for political resistance to the impact of crisis and austerity. In other words, the potential for an alternative politics is at its strongest in one of the cities worst affected by the 2008 crash.

*“The other crises did not exactly provoke a radical political change towards the left, but this time, as a result of many factors, there has been a political change in the city and, relatively, a political and ideological change at the Catalan level (...)”* (Journalist)

### Cities Can Lead a Social and Political Renaissance

The first two years of the BeC government have generated great expectations about the potential for building a new left political project from the bottom-up, with cities playing a central role. The political agenda of Barcelona en Comú combines the classical political principle of social and spatial redistribution with those of localism (municipalism), radical forms of coproduction and commoning (where “commons” refer to resources held in trust for, belonging to or affecting a whole community, but not under direct state control).

*“... (I've always felt) a strong commitment with municipalism and with the idea that we do not only replace people in power, but also change the ways of doing things. We must open the institutions. If there is a place from where you can do this, it is the city”* (Councillor)

*“The Commons aren't spaces owned by the public sector, but they represent a shared and common wealth. The attributes of universality, redistribution, accessibility... characteristic of the Public are missed in many public administration projects. This is why I think that the Commons are more capable of acting as the Public than the public administration itself”* (Government Official)



## However, the Obstacles Facing the New Left are Formidable

The first two years of the BeC coalition show the enormity of the obstacles to radical change. First of all, BeC lacks a solid majority in the City Council, forcing it into coalition with the electoral rump of the PSC. It also faces resistance from within the municipal bureaucracy, fiscal centralisation by the regional and national austerity regimes and a lack of municipal power in key policy arenas - notably housing. Larger constraints facing all cities to a greater or lesser extent include the global nature of economic and financial flows, and the pro-austerity ideology driven by the mass media and economic elites. As a member of a community based organisation said:

*"The tools are very tiny and the expectations are great. How can the City Council of a city that is globally located on the map of the relevant cities in the world, which attracts migratory flows, capital flows... how can it manage a power that it does not have? The City Council does not have the power of the city. It is a very small portion of power"*

This reality means that while Barcelona's new municipalism and commitment to radical co-production represents an important beginning, it cannot be the end of the transformatory process. Urban struggles must gain traction on the national and international stages.

## Cities must Unite Upwards and Outwards to Defeat Austerity

At the same time, there is room for manoeuvre. Our respondents highlighted a repertoire of strategies that local governments can use to promote radical political change. At the institutional level, these include making maximum creative use of the powers granted

to municipalities and investing surpluses and reserves rather than hoarding them (a demand made by trade union activists in Leicester). Another crucial strategy is to build political alliances between cities, social movements and community organisations to confront and exert pressure on upper tiers of government. We found that in combination, these approaches transform citizen perceptions of what is possible and makes political radicalisation infectious in and beyond the city, at the regional and national scales.

Our conclusions are twofold. First, the city council needs the movements and the movements need the city council.

Second, to resist austerity imposed at higher tiers of government, cities must unite nationally and internationally, in a common struggle. Mayor Ada Colau summed up the place of Barcelona in this struggle.

*"I believe that Barcelona is key to redefining politics and that municipalism is essential to improving our democracy. This is the century of women and the century of cities. And there is no better way forward in this exciting political moment than the new municipalism, where government is at its closest to the citizens. I can't think of a better city than Barcelona, highly esteemed and followed with great international interest. This change of political agenda has been implemented through this mandate and it is delivering results"* (Nació Digital, 10/04/2017).



## DUBLIN: A CENTRALISING BUT CONTESTED AUSTERITY REGIME

Dublin, Ireland's capital city has a population of 1.3 million and is home to a third of the country's population. Economic activity in the Dublin region accounts for 47 per cent of Ireland's GDP and it has the highest average disposable income per person in the country. Dublin is now ranked third in the world for foreign direct investment (FDI). It serves as a hub for global IT and software companies in particular, and several of the world's largest IT firms have their headquarters in Dublin. Consequently, the city's attractiveness to both domestic and international investors is one of the principal driving forces of urban planning and policy. Commercial rates also form the principal source of funding for Dublin City Council (DCC).

### Dublin has used austerity to consolidate pro-business policies

As many of our respondents noted, austerity in Dublin has therefore served as an ideology to expand and consolidate many of the policies and programmes in place since the 1990s, which aim at making the city attractive to investors and developers while ignoring or containing marginalisation and dissent. Indeed, as our research indicates, austerity has provided an opportunity to further curtail and control the activities of civil society groups while targeting cuts at the most marginalised. While, as the Irish Finance Minister with an eye on the global markets likes to note, Ireland is certainly not Greece and Dublin not Athens, public anger and frustration at the cuts meted out in the name of austerity is palpable.

Something of a political renaissance is occurring across the city as individuals and communities become involved in diverse practices of resistance, resilience, solidarity and support.

### Austerity hits the poorest hardest

There were eight austerity budgets in Ireland between the years 2008 and 2014 and their impacts have been sharp and deep. There has been a significant rise in unemployment, the overall percentage of people in poverty has risen to 15.8 per cent, and inequality has risen sharply. The significantly gendered nature of austerity effects has also been noted. In Dublin, where rates of deprivation have increased significantly over the austerity years, rising from 10.5 per cent in 2008 to 28.1 per cent in 2013, there is broad agreement among our participants that austerity has hit the poorest hardest although the middle-classes have also been severely affected. As one respondent noted, *"The government did not stand up to the bullies. It chose to stand up to the weak. And so austerity and harshness was very one-sided ... They picked on the weakest people – subliminally as much as consciously"* (Social Researcher). The injustice of this unequal burden-sharing was highlighted by many respondents. As another noted in the course of one of our Focus Groups, *"What strikes me with austerity is that it's hugely unjust. It's hugely unfair. And that we're being forced to carry burdens for a class of people who basically are financial speculators. And they speculated and lost. Instead of carrying their losses, they put them onto us"* (Resident).





There has been a drop of 21 per cent in mean disposable income across the city and the drop in the income of the unemployed is reported to stand at 22 per cent. Correspondingly, the rate of unemployment rose from 38,000 in 2006 to a high of 90,000 in 2012. Although this figure dropped to 75,000 in 2015, interview respondents highlight consistent difficulties in meeting debt and bill payments, and poverty and inequality remain widespread and pervasive. While the government constantly stresses that core welfare benefits have not been touched in austerity budgets, the extensive cuts to support and services across a wide range of sectors have indirectly affected many. As one of our Focus Group participants notes, *“They don’t hit you straight on the thing, but all the supports have been taken away”* (Resident). For example, funding to the programme tackling the growing drug epidemic in the city is reported to be down by 44 per cent and many other funding lines have ceased altogether.

### **Austerity is a lost opportunity for developing local democracy**

Local government in Ireland is extremely weak and Irish governance is characterised by an exceedingly high degree of centralisation. Dublin City Council is no exception. The much touted local government reforms which, as part of austerity, promised greater levels of local democracy, in reality manifested as budget cuts (reported to be in the region of 20-25%) coupled with increased responsibility (for local community development). As for any other reforms, there is broad agreement that these did not happen.

As one official noted, *“Austerity was a time, in my view, to get reform, and a lot of the austerity was actually done under the heading of reform. It wasn’t. We got very little reform... I think an opportunity was lost.”* (Council Official).

Many councillors were even more blunt. In the words of one, *“We have all the talk about political reform, but there’s no reform. Reform means cuts.”* (Councillor)

### **Austerity has consolidated a state-led attack on civil society groups**

As well as cutting back (while paradoxically adding to the work of) the City Council, austerity has also provided the opportunity to consolidate the state’s move to ‘rationalise’ (cut) civil society groups and more closely align (subsume) them to local government, through newly established Local Community Development Committees. According to participants, these operate in an extremely formulaic manner, leaving no room for deliberation or debate.

Although moves to shut down civil society groups began with reduced state support to them around 2002, efforts to keep them going were dealt a major blow over the austerity period. Cuts are reported to have amounted to 35 per cent, with the smaller, more politically active community organisations bearing the brunt of these. According to one of our respondents, *“there were about 55,000 people working in the community sector, and, after austerity, there were about 20,000 that were taken out of the mix. So, there was just a massive cull, if you like, at that level.”* (Community Activist).

Many respondents were adamant that this represented a deliberate strategy on the part of the state. As another notes, *“It felt like the civil servants were waiting in the long grass.... It felt a bit like slash and burn... There was a bit, kind of, we’ll teach you a lesson, and protect the core - the core being themselves, you know?”* (Community representative). Another commented that this constituted a government priority under austerity, *“Certainly I think one of the priorities in the present government, they made no secret of the fact that when they came into power, the days of Partnerships and [community] Task Forces and this, that and the other would - I think the phrase that was often used, that they would clip their wings. And they did.”* (Politician). For remaining groups, their activities are now limited to a ‘services only’ function (research and advocacy are no longer funded) and their remit in this has been greatly increased. For example, one organisation we visited has gone from covering an area comprising 15,000 people to one comprising 125,000 with no attendant increase in personnel. When asked how they will now manage to engage with communities, one of the organisation’s employees wryly noted that *“well, it’s necessarily going to be a superficial process”*

The cuts to and control of civic organisations has fed into communities in a number of ways. In addition to the obvious impact of reduced services and support to communities, the narrow ‘no advocacy’ nature of state funding leaves organisations feeling silenced and communities without advocates. Thus, the important spaces that once existed for critique and dissent within local communities have also been narrowed, if not shut down. As one of our respondents noted, *“...you felt your voice was, you felt as if you were strangled because you couldn’t actually actively criticize if you were getting funding. You didn’t have an independent voice.”*

*And most of the organisations were relying on government funding. And so in a way, you were, you know, muzzled really.”* (CBO).

### **Citizens respond to Austerity in diverse, innovative and rebellious ways**

*“People are just incensed. Not because they are the left-wing. Not because they are radical revolutionists. It’s because they’ve been shafted. They can see that they do not have pensions. They see no future for their kids”* (Councillor).

While the logic and practices of austerity governance in Dublin certainly resonate with those of other cities within this project, the various and diverse public reactions to them highlight some particularities. The so-called ‘water protests’ at the introduction of new water charges in 2014 have perhaps received the most publicity. However, our respondents repeatedly emphasised that these protests were never just about water. They were simply the final straw for a frustrated, tired, angry populace who decided enough was enough. As one of our respondents noted, *“What people wanted, people wanted something to voice their concern. People wanted something to voice their anger. And they saw this as mechanism. But it’s not in any sense just about water.”* (CBO).

Nor was this ever a single-tactic movement. Public marches caught the media headlines, but the movement adopted a wide variety of tactics and strategies. Two features, in particular, single out this movement as unique in the history of the Irish state. The first is the diversity of people involved. A survey carried out in 2015 of 2,556 people involved found that 54 per cent were ‘new activists’ – i.e. had

never protested about anything in their lives before; and the reasons cited by 60 per cent of these was that *“austerity has gone too far”*. Moreover, many of our respondents observe that a high proportion of those involved are women. Thus, rather than mobilising what one might regard as ‘the usual suspects’ – the ‘angry mob’ as the mainstream media chose to present it – resistance to austerity has cut across classes and neighbourhoods throughout the city. And, as a movement, it has grown and developed organically from the ground up. Although there are attempts by some left-wing parties to channel these ‘new’ activists into formal politics, our respondents report that many prefer alternative political avenues in their quest for social justice. The challenge now is to engage these new political actors in innovative and non-traditional ways

### **What Next? A new politics and practices of engagement is required**

*“I think there’s something fundamentally that’s changed in terms of people’s psyche in terms of how they see the world. Where previously they would have accepted it, a bit like the [Catholic] Church. They would have accepted it. Now they say, ‘Hold on,’ you know. ‘The emperor has no clothes’. And once you switch that on in people, they start to see other things.”* (CBO)

Austerity governance in Dublin may well be remembered as much by its political, as its economic and social impacts. As social and psychological costs escalated, the city experienced something of a political renaissance. While some of our respondents echo mainstream framing of public resistance as ‘ugly’ and ‘anti-democratic’, the majority view this as a positive development. Dublin may not be Athens or Barcelona, but nor is it Leicester with its ‘austerity realism’ (see below). A new and diverse political class has emerged and one of the key lessons from the past few years is that public resistance cannot be controlled and contained. Authorities ignore it at their peril. The challenge for Dublin’s policymakers and planners now is to learn from others how to balance the different interests across the city by substantively engaging with these new political actors. This will be no easy task given the huge damage caused by austerity. It will require new politics and practices of engagement, which break with historic practices of co-option and containment. And it will require time – to rebuild trust and relations among angry and disaffected communities across the city.

## **LEICESTER: A CASE OF “AUSTERITY REALISM”**

Leicester is a medium-sized city of some 342,000 people in the East Midlands region. Perhaps its most unique feature is its “super-diversity”, with black and minority ethnic groups on the cusp of becoming a majority of the city’s population. It is a stronghold of the UK Labour Party, which dominates Leicester City Council (LCC). Labour’s Sir Peter Soulsby has held the office of City Mayor since it was established in 2011, winning two elections with 55% of the vote.

Once known as a prosperous city that *“clothed the world”*, Leicester has long suffered acute deprivation linked to the collapse of key industries in the 1970s and 1980s. Recent government statistics show that in 2014, Leicester had the lowest gross disposable household income in the UK, a mere £12,071. Gross average weekly pay per worker stood at just 81% of the national average, the 7th lowest in the UK. For many thousands of Leicester’s citizens, paid work offers no escape from poverty. The city could ill afford David Cameron’s “age of austerity”, now in its eighth year.

### **Austerity is Deeply Embedded in Local Governance Culture**

*“We are not happy making cuts but we cannot set an illegal deficit budget. If we do Eric Pickles will simply come in and take over the running of the council”* (Councillor).

It is striking just how deeply austerity politics have become embedded in the governing culture and political psyche of English municipal elites. This is exemplified in Leicester, where the City Council made a strategic decision, though

opposed to austerity in principle, not to be vocal in challenging the UK government. We call this approach “austerity realism”. By this, we mean that while most of our respondents in the City Council detest austerity, they deliver it diligently, though reluctantly, for lack of a perceived alternative. The preceding quotation highlights just how weak British local government remains, and its political subordination to the centre. Apart from running down reserves, councils cannot resist austerity without breaking the law.

Austerity realism translates into a strategy for managing and mitigating the worst effects of cuts to benefits and services, alongside an increasingly vigorous urban growth strategy, spearheaded by the City Mayor. The logic of austerity realism means that governing energies are consumed, on the one hand, with trying to preserve public services as far as possible while providing a safety net amid seemingly endless cuts and restructuring, and on the other hand with enhancing the competitive position of Leicester. Although many respondents would like things to be different, visions for Leicester’s future were largely confined by this dual imperative.

By 2020, the UK government will have cut Leicester’s budget for discretionary services – those it does not have to provide by law – by 63%. Abolition of the central government Revenue Support Grant to local authorities, also by 2020, marks the end not of central government control over local politics, but of local fiscal equity. Cities with weak economies are to be left reliant on meagre council tax

receipts and business rate revenues. If things continue as they are, little will remain of the post-war multi-service municipality, apart from adult and children's social services. But without a significant change of direction, even these services seem likely to remain trapped in a regime of permanent budgetary crisis.

### The “Devolution” Agenda: Double-Dealing?

With services cut beyond the bone, many local authorities and sub-regions are keen to agree “devolution deals” with central government in order to draw down further powers and resources. The case of Leicester and Leicestershire is a salutary lesson in the power relations at stake. Said one public official of the “localism” agenda: *“There isn't one” ... “It's very top down. You know, they have their national priorities and that's that. And there is no bottom up”.*

In 2016, Leicester and Leicestershire attempted to win government approval for a new “combined authority” operating across Leicester and the county of Leicestershire, with devolved powers over infrastructure and economic development. The government rejected the proposal, because, sensibly, the city and county refused to countenance the demand for a new sub-regional “Metro-Mayor”. Had Leicester agreed to this, the current City Mayor would have lost his economic development powers, leaving the city at the mercy of a higher authority with potentially very different political priorities.

Our key finding is that behind the rhetorics of “devolution” and “localism”, central government sets the agenda and pulls the

strings in a way that emasculates prospects for a just and equitable city. Said an official:

*“I think this is very obvious when you see the pattern of where the money is going and where it's not, it's going to those areas who have accepted devolution deals based around the idea of a metropolitan mayor, and ...the government has decided that is the appropriate form of governance and it is rewarding those areas who agree with it and punishing those areas who don't”.*

### Renaissance for Whom? A Competitive City is not a Just City

Despite grim deprivation indices, Leicester has cultivated a sense of renaissance in the past few years. The city centre has transformed, with new developments and investments continuing apace. Two unexpected dividends – the discovery in 2012 of the remains of King Richard III and Leicester City winning the English soccer Premier League in 2016 – gave the city a significant cultural and economic boost. Leicester rightly prides itself on ethnic super-diversity, and makes full use of the economic potentialities in branding the city. According to a councillor, *“people I know they did not bring money with them but they brought their cultural ways, heritage, tradition”*. Through their economic contribution to the city, *“they have put it on the World Map”*. As the City Mayor put it in a public lecture, Leicester is at last getting over the *“collective inferiority complex”* brought about by industrial collapse and earlier rounds of local government restructuring. He argued that while supporting schools and services is a priority, the Council must invest in the *“public realm because the city centre is our shop window”*.

Yet, while most respondents thought that the city has little alternative but to follow this path – reflecting austerity realism, few thought that making Leicester attractive for employers and investors would, on its own, overcome decades of deprivation and disinvestment, only intensified by austerity. Research in this field shows that the more cities compete to make ends meet, the more unequal and divided they tend to become. Our research records the enormous gap between a vision of urban life represented by the culturally and economically vibrant city centre and the multicultural experience of impoverishment under austerity.

### Austerity is Damaging Local Voluntary and Community Groups

One of our core research questions concerned the role of collaboration between government and voluntary and community organisations in managing and mitigating austerity. Confronting the failures and antagonisms of the “state” and “market” sectors, policy entrepreneurs often look for alternatives in “civil society”, and the potential for a stronger partnership between the state and communities. We found collaboration between the city council and voluntary organisations to be very important, for example in trying to mitigate the impact of austerity on people affected by welfare reform and benefit sanctions. Yet, austerity has severely weakened the foundations of any partnership in pursuit of progressive, inclusionary or egalitarian goals.

Many of our respondents pointed to the ways in which austerity undermines local voluntary and community groups, contradicting the tenets of David Cameron's so-called “big society”. For example, *“the pressure to reduce benefit spend and get people back into work has meant that we have far fewer volunteers because people are dissuaded from volunteering by the DWP”* (VCS respondent).

At the same time, swathes of the voluntary sector have been wiped out by cuts, decimating government-civil society networks that once supported public welfare, and denying a voice to communities worst affected by austerity. Grants have mostly disappeared, while contract funding is sparse, short term, bureaucratic, competitive and precarious. The result is a hollowed out voluntary and community sector engaged in a relentlessly competitive struggle for survival and with diminishing ability to voice the needs of citizens or speak truth to power. One VCS respondent derided this short-term contract approach as *“dollop-funding”*. For example, Leicester City Council used to fund several Black and Minority Ethnic umbrella organisations as a means to support inter-community dialogue and capacity building. Under austerity, this approach is no longer deemed viable. One respondent commented angrily on the impact of de-funding on the BME community groups:

*“All that is left of the African Caribbean voluntary and community sector is a few single issue clubs/associations, and a number of small volunteer run, led and managed social groups that do not have the means, capacity or capability to fulfil a link or communication function. Sadly the poor outcomes achieved by the African Caribbean community have changed very little since the Scarman Centre report 20 years ago because the Black community in Leicester is small and dispersed enough to ignore politically. It migrated here to help fill labour shortages after the war, suffered unrelenting institutional race discrimination but has made significant contributions to*



*the development of 'multicultural' Leicester only to find that when the going gets tough again the Black community loses what little it has had. Only time will tell on the impact".*

At the same time as local voluntary and community organisations are closing or scaling back, other third-sector organisations are becoming ever-larger, creating a new category of what the National Council for Voluntary Organisations calls "super majors". Our research suggests that these organisations, which usually lack connections with local people, are squeezing out local groups. One respondent commented "... there's the rhetoric of localism, but then when it comes to contracts – be it grants, procurement contracts ... you're offering large-scale contracts, you're setting quite important barriers to grassroots or community-based organisations. And so, you found that large organisations are taking the money and then top-slicing their admin management fees. ... But big charities are doing the same behaviours".

Austerity has done enormous damage to the voluntary and community sector infrastructure that, for all its flaws, did have connections with local people, and could provide voice, advice, services and support. In this context, putting the onus on "civil society" to solve the crises of austerity is wildly unrealistic.

The capacity is not there. Crucially, even in a renewed era of high growth and generous public spending it could take decades to rebuild what austerity has destroyed.

*"I think the cuts to the council's budget has a more profound effect than people understand. And it may take a while before clearly you know something falls down. It maybe two or three years before you really realise that they would've sorted that if they've been here. They would've have communicated with us about that if they've been here. But sooner or later and of course these things take ages to build up. To build up a strong civic society takes a long time. And then you cut it down. It's like planting a tree. It will take years for it to grow again ... they take a very, very long time to build"* (Councillor).

One of our most important conclusions is that "civil society" is no panacea for austerity. On the contrary as our research in Athens and Baltimore also demonstrates, the third sector often serves privileged groups and special interests, enjoys a symbiotic relationship with corporate and government elites and lacks democratic legitimacy. Equally, by eroding local voluntary and community organisations, austerity is also damaging the social fabric required for building just, equitable and inclusive city.

## What Can Cities Do? For a Social and Political Renaissance

Cultures of resistance to austerity in Leicester have been seriously undermined by waves of de-industrialisation and the related decline of militant trade unionism. Said a councillor of the cuts, "a lot of them are happening almost without a squeak". There had not been the "howls of protest" they expected. An official suggested "that confrontation thing is... that's just not the British spirit anymore".

However, we encountered important instances of successful resistance to austerity cuts, where a service was highly valued by citizens, opposition well organised, and protestors had allies in the Council itself. The Council's decision to reverse the closure of Belgrave Library showed what a vigorous campaign can do. Yet, as is the case throughout the UK, austerity has been delivered with few signs of any sustained revolt. Our research points to a variety of reasons to do with the enduring legacies of defeat experienced by Labour local authorities and industrial trade unions during the 1980s. But austerity itself plays a disorganising role too. As one interviewee commented:

*"They say to us 'why aren't the English kicking off like the Greeks'"? "I think it is precisely around the issue of everyone is being made to look at their own individual crisis and they are so basically swept up in trying to deal with that, that it is very difficult for them to look at it in a wider way which I think would potentially help every individual; but they are so ensnared in looking at the latest change affecting them, that its a full time job sorting out these issues".*

While "drama and conflict" may not be in the interests of Leicester from the standpoint of investment and growth (Councillor), some of our respondents thought that a more contentious and rebellious politics could serve the cause of democratic revitalisation and social justice. This contentious spirit lurks beneath the surface of austerity realism within the trade unions, among campaigners and within parts of the local voluntary and community sector. As one respondent commented, "perhaps we should just feedback 'we need revolution!'" ... "campaign against austerity – like they did in Iceland" ... "I hate them, I really do. I'm sorry, I should be impartial ...". This sentiment also exists among many councillors and officials, delivering an agenda that clashes with their own beliefs and values. The challenge for anti-austerity activists is to translate such feelings into a positive agenda for change and a credible vision for the future. To this end, the Labour Party surge at the 2017 general election may prove to be a watershed.

# GREATER DANDENONG, MELBOURNE: RESTRUCTURING AND REVITALISING A DIVERSE CITY

Melbourne is the capital city of the state of Victoria and the second most populous city in Australia, with 4.5 million people spread over more than 9,900 square km. The sprawling metropolis is governed via a multi-level system of centralised, state and dispersed and diverse local governments. Our research focused on the City of Greater Dandenong a significant municipal region 30kms southeast of the Melbourne central business district. Traditionally a seat of industrial activity, Dandenong has experienced sectoral economic decline as part of the long-term contraction of Australian manufacturing. However, the population of Dandenong (currently around 153,000) is rising and projected to increase to 165,000 by 2019.

In the context of substantial poverty and inequality, waves of multi-ethnic migration have presented the opportunity for Greater Dandenong to develop the “community economy”. 2011 census data showed that while Aboriginal and Torres Strait islander residents accounted for only 0.4% (a legacy of 19th century European settlement), Vietnamese people account for 12.5% and Indians 10.6%, with Sri Lankan, Cambodian and Chinese immigrants also comprising significant minorities among the population. Rather like Leicester, migrant communities have been able to assert a stake in the area’s commercial, retail and property sectors, and influence its politics.

## The concept of “Austerity” Does not Travel to Dandenong

In response to de-industrialisation, the State of Victoria has been rolling out a 20-year regeneration project, “*Revitalising Central Dandenong*” (RCD 2005-25). The project commenced with an unprecedented investment in a single urban renewal site of AUS\$290 million. This investment supported land acquisition, staff costs and infrastructure development over the first five years of the project life. It leveraged both considerable private investment (the aim is for a 1:10 public to private ratio in investment) as well as local government spending of approximately AUS\$120 million in complementary improvement projects. This model of urban revitalisation will seem familiar to British readers involved in New Labour’s regeneration projects of the early 2000s.

However, a key finding from our study is that many concepts operating in European cities today do not work in the same way for Greater Dandenong, or Australia more broadly. For example, “*austerity*” is not widely used to describe or conceptualise cutbacks, constraints or institutional change (e.g. privatisation). Instead of austerity, “fiscal conservatism” is the dominant concept for both major national (and state) political blocs. This signals a political trend towards restraint in public revenue and expenditure over the last 15 years

(and earlier), evidenced in cutbacks in specific areas and reductions of institutional effort and capacity. But this is occurring without the sense of emergency or purpose pertaining to “*austerity*”. According to a state official:

*“...austerity is a term that is talked about by people in Europe, we think about it more as a heavily constrained fiscal outlook where there is largely a flat line or negative growth in discretionary spending because revenue isn’t growing. This combines with increasing service delivery pressures (e.g. with ageing population) to create the constrained fiscal environment.”*

Even so the aspiration of fiscal conservatism has been more honoured in the breach, with expenditure and revenue across all levels of government at historically high levels throughout the 2000s. Perhaps most significantly, the Tony Abbott government failed in its attempt to impose a full-blooded austerity budget in 2014. The scale of government resources allocated to revitalising Greater Dandenong is a good example of this relative fiscal flexibility, when compared with the evisceration of urban programmes in the UK, parts of Europe and the US.

However, although “*austerity*” doesn’t bite, the notion of “crisis” does. The term is used to define and rationalise looming threats, more than it is to describe present governance challenges: anxiety-provoking memes such as ‘debt crisis’, ‘budget crisis’ or ‘health crisis’. Notable in our case study was the notion of an impending ‘migrant crisis’, which creates a sense of “*othering*” and could have consequences for communities that trade on their diversity, like Greater Dandenong.

## In a System of Weak Local Government, the State of Victoria Dominates Urban Politics and Policy

The state-centred political system meant that the enthusiasm characteristic of pre-austerity Europe for institutionalised state-market-civil society partnerships at the city, municipal and neighbourhood levels, was also absent. Rather, our respondents are better versed in the idea of inter-governmental “integrated planning”. State governments and their agencies dominate in terms of resource power. Because city and municipal governments are weak, they are perceived to have limited capacity to take the lead in contexts that invite or demand the ‘joining up’ of policy settings. Moreover, because “governance” is centred on “government”, the resilience of collaborative practices is vulnerable to changes of administration, through shifts in funding and - most importantly - political and policy reprioritisation. Compared with cities where multi-sector collaborative traditions are deeply embedded (such as the old Barcelona model), those in Dandenong are more vulnerable to the vagaries of politics and policy. In this sense they are weakly institutionalised, somewhat precarious mechanisms for incorporating citizens or voluntary and community organisations.

At the same time, State officials talk a lot about collaboration, with repeated references to relationship-building, community-building, formal ‘cross-government’ structures and processes, ‘partnerships’ with non-government entities and informal strategies for delivering change in a multi-actor context. This collaborative spirit is articulated in the revitalisation of Greater Dandenong, to which migrant cultural economies are considered central. In other words, if collaborative institutions are weak, the collaborative governing ethos is strong.

### Greater Dandenong positions itself as a Multi-cultural City

As we found in Leicester, cultural diversity is a central theme in the revitalisation effort, and plays a major role in mobilising actors and resources. Dandenong is a community that defines itself in terms of its capacity to have welcomed and integrated successive waves of migrants. These traditions are highly salient in its governing culture. For example, a representative from the local Interfaith Network described Dandenong as a place where there is *“freedom to go wherever you want”* and you will find *“diversity and cohesion”* with *“no fear,”* only an *“openness, trust and invitation”* to interact. *“People are very proud of the diversity and want to preserve it. They see it as healthy”*. These sentiments were common across the governmental, business and third sectors.

In contrast with Australia’s discreditable treatment of Indigenous peoples, urban histories have long noted the dynamism, fluidity and positivity associated with diverse cultural inflows to cities. The positivity around diversity in Dandenong is seen as a vehicle for overcoming tensions. As a local official put it, *“diversity is not seen as a threat; it’s a great thing and we want to praise it and celebrate it and remove any stigma of it: it is a very clear message”*.

### Diversity is a Key Tool of Urban Revitalisation

Our research suggests that not only has cultural diversity been a useful theme for building collaborative approaches to urban revitalisation, but also that the recognition of cultural diversity has underpinned and driven economic development. Where UK cities

have dramatically scaled back services under austerity, the authorities of Greater Dandenong invest strongly in cultural diversity through services that support integration: for example settlement services, English language classes, libraries with specific programs, services and resources, police training (i.e. through multicultural liaison officers), targeted anti-racism and domestic violence programmes, and general public education and health services.

Greater Dandenong has particular affinities with Leicester, in the way that diversity “brands” the city and is seen as a tool of economic vitality. The business community sees migrant communities as contributing to and sustaining a diverse and resilient retail market. According to a representative of the State of Victoria’s lead renewal agency, the urban revitalisation process *“built off the success of cultural diversity”* to change perceptions about Dandenong *“from a place suffering economic decline”* to be seen as *“a multicultural Mecca”*. A State planning manager elaborated:

*“... I think it comes back to that point of understanding what the essence of the place is...you could see 27 cultures that worked together regularly and respect one another. It’s the cultures and the background that those communities bring that makes it a unique place. And that’s what actually creates the outcomes. It is from this basis that the strategy for revitalisation and ‘place-making’ drew on cultural diversity as a theme, “give people a voice, engender pride in place and enable businesses to succeed” (state official).*

### Food Governance Supports Development, Cohesion and Integration

Food governance shines a bright light on how cultural diversity is used for mobilising collaboration and revitalisation. First, it is used by government to bring people of different cultures together, support interaction and build understanding. *“If you make some flat bread, you all get sit around and talk. And so, we’ve used it as a mechanism of engagement. In other words, food is recognised as a...social unifier to bring together”* (local government representative).

Second, food governance provides a practical way of responding to social needs in diverse communities, a link between government, non-government organisations and people in the community. For example, the Dandenong Food Alliance, a not for profit collaboration between local government and organisations provides food relief. Malnutrition is significant issue in Dandenong for low-income groups, not only with limited access to healthy foods but to food per se.

Third, food is a key driver of multi-cultural branding, and in developing a local tourism industry through collaboration between the local, State Governments and different cultural groups, creating places that offer specific cultural precincts or activities, such as the Afghan Bazaar or Little India. These cultural quarters serve as a “public realm”, creating familiar sites for gathering by cultural groups and drawing in other members of the public:

*“...not only are they fantastic from a social cohesion point of view, they’re also destination drivers to Dandenong...to celebrate the diversity of the place, the diversity of the food offering”* (former state official).

### Commercial Success Has Allowed Migrant Communities to Win a Political Voice

Much as Leicester, the commercial successes of migrant groups in food, retail and land development, contributes to local economic prosperity and community cohesion. From this basis, migrant populations have become well organised and able to influence urban policy through political channels. For example, specific traders or community groups have flourished and are able to influence local policy through *“advocacy, lobby and engagement”* (local government representative). *“They’ve grouped up and they have a strength that was unimagined in the 1980s when the Indo-Chinese groups came. By grouping up, they have developed a voice in the community”* (local Federal Member of Parliament).

Another feature of government reflecting the success of migrant communities locally is the diversity in local political representation. For example, at the local level *“Dandenong has had in the last five years a Buddhist mayor, a Muslim mayor, a Jewish mayor, a Christian mayor, and an atheist mayor”*. The local government is a core member of the Inter Council Aboriginal Consultative Committee and supports the Dandenong and District Aborigines Co-operative Limited, a community controlled service organisation.



# MONTRÉAL: A CITY IN SEARCH OF SOLIDARITY AGAINST LIBERAL “RIGOUR”

A notable theme emerging from the Dandenong case study is that of multi-cultural fluidity and peaceful co-existence. Whilst the degree of inter-community integration is a moot point, it does appear that public programmes and civic structures have allowed for and encouraged socio-spatial co-existence and formal dialogue among insider groups. We note, however, new strains in social discourse, in Greater Dandenong and more widely, around Islam and asylum seekers – and the historic and enduring

injustices against Aboriginal and Torres Strait Islander peoples in urban Australia. Whether the celebration of diversity in Greater Dandenong can remain resilient to the ‘migrant crisis’ and the rising politics of racial intolerance, remains to be seen. The establishment of The Greater Dandenong Multicultural Advisory Committee in April 2017 to strengthen community relationships and increase collaboration with multicultural communities represents an acknowledgement of the importance of institutional support for ‘community wellbeing, harmony and prosperity’ in the city.

Although Montréal is socially and culturally dynamic, the city-region is facing challenges in terms of economic restructuring and political rescaling. The city has a population of 1,958,000, while 4,099,000 live in the metropolitan area. Montréal has around 110,000 enterprises and an annual median income per household of \$53,024. Unemployment stands at 7.8% of the active population. In the federal elections of 2015, Greater Montréal voted mostly for the Liberal Party, in the provincial elections of 2014, mostly for the Quebec Liberal Party.

With its economy lagging behind many other cities of similar size in North America since the end of the 1970s, the local state has been involved in a continuing struggle to improve its performance in terms of job creation and support for innovation.

## Montréal wasn’t hit by the 2008 crisis in the same way as European Cities

The 2008 economic crisis did not hit Montréal directly. However it did have an indirect impact: economic relationships with the US (investments and tourism, for example) suffered rapidly and dramatically, but they soon recovered or were substituted by exchanges with Europe and Asia. As a manager of a public institution devoted to international investments in Montréal said:

*“We were affected, of course, in the sense that the economy in the general sense was affected. Also, the foreign investments, for Montréal International, come from the US and were largely reduced after the financial crisis. So a big change for Montréal International on this side but in the end Europe took over.”*

## For Montréal, Austerity is Therefore a Political Choice

While the immediate impact of the 2008 financial crunch was thus rather soft, Montréal has undergone a series of consecutive and on-going crises since the end of “Fordism” – the period of mass industrial production – in the 1970s. The 2008 event was one rather minor occurrence in this long series. Consequently, austerity is not understood as a necessary policy in an exceptional time, as it is in Europe. It is rather presented as an ideological choice, a conservative approach to state restructuring in the context of a historic and enduring crisis of the welfare state. This type of politics – usually called “rigour” by the Quebec state government – was pursued at the federal level by the Conservative Harper administration until the election of the Liberal Justin Trudeau in November 2015 and by the Liberal Couillard administration, at the provincial level, since April 2014.

The local state in Montréal is a combination of three different tiers of government: the federal, the provincial and the municipal levels (and also involves intricate relationships with different layers of civil society and the economic elite). Each of these levels submits to different logics and ideologies. The new federal government was elected on a programme embracing a Keynesian approach to public spending and investments whereas the provincial government is still committed to reducing the provincial budget deficit. In order to understand the governance and politics of austerity in Montréal, we have to take account of all these elements: the meaning, significance and impact of austerity largely depends on which tier is implementing which particular set of policies.



The Liberal provincial government is the key driver of austerity today. It is situated within a long history of Liberal politics where the state is seen as oversized, while citizens are overtaxed and are seen as being at risk of becoming attracted to populist discourses. Beyond the varied meanings and understandings of austerity, all fraught with a strong neoliberal connotation, a majority of the respondents in our research were worried about the repercussions of austerity measures, specifically on the poor and the households with low paying jobs. In fact, the restructuring of the welfare state impacts different sectors of the population differently. But all in all, budgets were cut mainly in health care and the education system and, as is common in austerity urbanism, these cuts hit the most vulnerable groups the hardest.

*“The austerity phenomenon is not as large, it is more precisely targeted than ten or thirty years ago. Education, social services, integration of immigrants, workforce integration... In these four sectors, in addition to social housing, five sectors where there are serious cuts. They stop the development - what we hoped would be a long term social development”* (Community Development Worker)

### **Austerity Creates Serious Dilemmas for the Community Sector**

In Montréal, collaboration is second nature to the different actors who intervene in the public debate. Governance structures have been in place since the 1980s notably with the Community Development Corporations (CDCs). One specific aspect of today's austerity policies is the way they are implemented: largely by one-sided and authoritarian decisions by the Provincial government. There is little, if any,

deliberation or consultation as to how and where the cuts should take place. This conflicts with the deliberative culture of Montréal. In this sense, different social actors, especially the community sector, have to deal with a top-down politics of austerity. As these organizations largely depend on government funding to function, they often end up managing austerity measures while, at the same time, contesting them. This creates dilemmatic, even contradictory imperatives. As a community development worker commented:

*“We find, again, this outsourcing of the state towards the community sector. (...). The relationship to the state (...) is a love/hate one, a conflicting collaboration where we tell ourselves ‘We have a mission, in the interest of the public, so public funds should finance what is in the interest of the public’. And at the same time we are very jealous of our autonomy even though the accountability mechanism are harsher than ever”* (Community Worker).

This example shows that austerity measures take place in a general context of state restructuring where the government, but also, consequently, community sector actors, are in search of a new model of social solidarity. More and more, “social entrepreneurship” and social economy are being called upon for different projects and this is seen as a way to outsource public services to the private sector. This may herald the transition to a new way of functioning, a search for a new regime of urban and public policies. At the same time, community organizations have to find different sources of funding and therefore have to compromise and work with the specifications of the different tiers of government, but also the charitable sector: much like Baltimore, Dublin and Leicester.

### **Organisations and Movements Opposing Austerity and Restructuring are Fragmented**

Most of our respondents had a very negative opinion of the ideology of austerity and its philosophy of state restructuring, pointing out its adverse, if not disastrous, impacts on marginalized and excluded populations. In Montréal, both the community sector and the trade unions have been active against austerity measures:

*“You’re right, they [trade unions] sometimes help us on some themes, for a short while. There is this round table called the Front for the defence of the non-unionized, in which different community groups intervene, like Au Bas de l’échelle, and us, and other groups. The trade union representatives are active, but they only do lobbying, that’s all”* (Community worker)

The convergence and unity between those two sectors remain fragile and unstable. They have divergent interests: the community sector is concerned with the most vulnerable population who are confronted with social exclusion while the trade unions defend working members. As one participant from the community sector pointed out: *“On the one side there is the eternal alliance between the community organizations and the trade unions, on the other side community organizations are subjected to trade unions”* (Community Worker)

### **Austerity is delivered from the top-down and weakens local civil society**

In Montréal we haven't witnessed a large social movement where solidarity was built across the community sector and trade unions even though these two sectors denounce and fight against austerity measures and the outsourcing of the state. In the 1960s and 1970s, with the “Quiet Revolution”, Quebec invented a specific model of cooperation between the trade unions and civil society (understood as the community sector) supported by the State. This social-

democratic compromise was dubbed the Quebec Model. This has since been dismantled with the rise of free-market (neoliberal) ideology. With the model undermined by successive governments, there is now a need to think of new ways to manage public policies. This could be a moment for civil society to reinvent new ways of working. According to a community organisation manager:

*“I would say that there were certain types of – well not all of them, not if I was working for the government – but for other sectors, there was maybe more creativity in how do we get out of the austerity, in a certain way. This is what allowed the social economy to grow, to say: ‘look, we have to do things differently’”*

Although austerity is not a new policy in Quebec and Montréal, and neoliberal reforms have been implemented at every level of government for many years, a radicalised authoritarian wave has been rolled out since the Liberal Party came to power in April 2014 – without any consultation at all. Local civil society organizations had to confront and adjust to these top-down policies and have had no time to debate or organize themselves against, or with, these policies. In this sense, the Liberal government is following a traditional definition of public action at odds with the local culture of collaboration. The consequences of this are difficult to assess and predict. What can be done? How can there be reinvestment? To what extent can the trade unions and the community sector offer an alternative way forward, in the face of this latest wave of neoliberal downsizing? As we conclude the study, Montréal sits at a series of possible tipping points.



## NANTES: THE PROMISE OF CO-GOVERNANCE?

Situated on the Loire river estuary, some 50 kilometres from the Atlantic coast, Nantes is a city with a population of approximately 300,000 people. Since the closure of its shipyards at the end of the 1980s, it has undergone something of a transformation, generating new employment in the tertiary or service sector, especially in information technology and banking. Since the 1990s, under the firm leadership of Jean-Marc Ayrault, who was Mayor of Nantes for almost 25 years, the city council has driven forward an agenda of economic boosterism and international competitiveness, designed around flagship urban regeneration projects (notably the redevelopment of the Ile de Nantes shipyards). Redevelopment was accompanied by a strategy of metropolitanisation (a term referring to the creation of city-regions), aiming to position Nantes as a regional growth city. Indeed, since 2001 Nantes has progressively coordinated its policies and shared services within the inter-communal or combined authority of Nantes Métropole. In 2015, the latter became one of France's designated metropolitan authorities, which brought together over 24 local authorities and covers a population of some 600,000 people.

### Nantes faces 'Multiple Crises': Invoking the Metaphor of 'Décrochage'

Nantes has not escaped the impact of national austerity policies and cuts to local funding, although it is arguable that the city's growing population and economic 'attractiveness' has enabled it to offset the impacts of the 2008

crisis, when compared to other French cities. The poorest neighbourhoods and those with the lowest incomes have been hardest hit by the economic crisis. For example, in the neighbourhood of Bellevue, 40 per cent of the population live under the poverty threshold (compared to 10 per cent across the Nantes metropolitan area). Since 2008, the household income of the poorest 10 per cent living in Bellevue has fallen; unemployment remains double the rate of the rest of the metropolitan area; and the number of people employed in low-paid jobs has increased since 2009, at a rate quicker than elsewhere. Importantly, this impact of the crisis affects those living in historically poor areas of social housing, as well as those more deprived citizens in private accommodation. Neighbourhoods in the centre of Nantes have more diffused and variable levels of exclusion: populations below the poverty line in the centre of town are primarily single households in work.

Importantly, the language of 'austerity' fails to resonate across governing circles in Nantes. Rather – a bit like Greater Dandenong – the crisis facing the city is regularly portrayed as a set of multiple crises, which brings together political dissatisfaction, fractured social bonds, as well as budgetary constraints. Thus, whilst it is not denied that the economic crisis has made local employment more fragile and scarce, local officers and politicians tend to focus, at the same time, on the crisis of social exclusion within communities and that of the French state and politics. In other words, Nantes represents itself

as experiencing a broader crisis, which is not of its own making, nor necessarily within its grasp to tackle. Indeed, one senior officer suggested that *"we are facing a questioning of [the French state's] very model of public service and its mode of social and economic development"*.

In part, and viewed through these different framings, the crisis facing Nantes can be understood through the generative metaphor of *"décrochage"* (a generative metaphor is a rhetorical device that frames and consolidates an influential interpretation of events). *"Décrochage"* foregrounds the 'dropping off' or 'unhooking' of communities from the economic motor that is Nantes and its metropolitan area. It helps structure a discourse that strongly resonates with the concept of social exclusion, as it was also understood in Britain under New Labour. Indeed, in the words of one local policy officer, *"for people, the financial crisis is more about décrochage and isolation, and it is that which we are worried about, that is to say people exiting [what we might see as] the community of residents"*.

Décrochage also constructs the crisis in spatial terms. The crisis thus affects particular neighbourhoods, or what were termed *"islands of real difficulty"* across the city. Such constructions enable officials and politicians to focus on *"localised difficulties [...] neighbourhood by neighbourhood"* – using multiple indices of deprivation helps policy-makers to make visible the localisation of poverty. But, importantly, these neighbourhoods remain within the city, not formally administratively and geographically excluded like suburban areas in other major French cities. Thus, *"décrochage"* serves the significant political purpose of denoting Nantes as a vibrant city, whose challenge is to reconnect socially excluded groups and neighbourhoods to the growth engine.

### The City Promotes Co-production and Collaborative Governance

Articulated and imagined in these ways, collaborative governance and co-production have been interpreted as a 'necessary' response to the multiple crises facing Nantes. In fact, the current Mayor, Johanna Rolland, made citizen engagement and dialogue one of the priorities for her first term in office. The city council committed itself to renew participatory governance, promising a 'constant dialogue' between local councillors and citizens. Nantes has a long-established reputation as a city promoting community engagement. Indeed, as one officer acknowledged, Mayor Rolland has *"made [...] the question of dialogue with citizens and other actors a mark of her political practice [...] It is even more than a conviction, it is a practice, including a personal practice, of public and political decision-making."*

These commitments to collaborative governance are deemed to go beyond the 'mere' instrumental objectives of improved services and efficiencies. On the one hand, it is claimed that participation offers a better way of capturing the expertise of citizens as service-users, thus offsetting the deficiencies of traditional models of public service delivery. But, on the other hand, citizen dialogue is viewed as a means of countering the broader crisis of politics and building social capital and cohesion within communities. Importantly, this coupling of engagement to the commitment to social cohesion is said to distinguish community engagement practices across the city from narrow managerialism or service improvement measurements.





The commitment of Johanna Rolland to collaborative governance and co-production, evident in flagship projects such as the 'Grands Débats' – city-wide public debates on a variety of themes such as the future of the Loire river and energy transition - have furthermore been interpreted as a response by public authorities to the end of the 'grand urban projects' model of economic development, which characterised Nantes during the years of Jean-Marc Ayrault.

### The Flip Side: The Limits of Engagement

Nantes seems unable to escape the charges that have dogged attempts to engage citizens and communities across numerous cities, notably in the UK under New Labour. Critics label participation as a new mode of incorporation, little more than top-down information giving, or ultimately as an exercise in failed representation. This is evident in endeavours to characterize Nantes' style of governance, which has often been compared to the famous passing game of its football team. Commenting on this analogy one of our respondents thus suggested that *"the question asked is: who do you look for when building a team, and when [do] you pass the ball? [...] You may pass the ball, but in the final instance you are obliged to follow [...] because the project is too advanced."*

Such criticisms were mirrored in other assessments, which described neighbourhood forums as an *"inconsistent [form of] democracy"*, which *"do not change fundamental decisions"*, or which *"too often... put [communities] in front of things"* that have already been decided. It was claimed, for example, that practices of engagement often remained far too concerned with information-giving, so becoming little

more than 'pedagogy', that is, *"an attempt to explain the project"*. And perhaps more importantly, in the context of *"décrochage"*, it was claimed by some respondents that participatory fora did not engage with those people most in need, challenging alleged efforts to combat social exclusion: for *"people who are truly in vulnerable positions are not in the know, or do not keep themselves in the know, or are not free, for these types of things... they do not go to these meetings..."*

Indeed, questions were repeatedly asked about the legitimacy of those civil society actors that are involved in participatory forums and their capacity to represent communities across Nantes. They were charged with being 'apolitical', non-adversarial and too deeply embedded in practices of 'top-down' urban governance. One neighbourhood officer commented that *"we don't invite organizations (such as trade unions) that we don't know, but they don't come knocking on the door either.... The associations involved in citizen's dialogue are generally socio-cultural (ones) without an advocacy role... there are none which seize on these occasions to re-orientate urban policy."*

### Political Decision Making: The Legitimacy and Limits of "Output" politics

Yet criticisms of the inability of communities to exercise powers of decision-making were repeatedly countered by the perceived value of keeping them in the hands of locally elected politicians. The Nantes model clearly embeds decision-making in the hands of locally elected representatives, while downplaying claims that participatory decision-making practices subsist below those of representative democracy.



Decision-making resides with politicians, so that participatory spaces are seen to be spaces of support rather than places of contestation between citizens and political decision-makers. As one officer puts it, *“in Nantes, it is clear that it is the elected member who has the final decision”*. In other words, councillor or politically-led decision-making is deemed to be no ‘bad thing’, as *“it is [the local politicians] job after all.”*

Indeed, the basis for judgements about the governance of the city quickly shifted ground, moving from input to output forms of legitimacy, thus validating practices of co-production. This is captured in the widely-held belief that *“most people are happy with what has been done.”* In other words, there is a widely recognised tension between the managerial drive for efficiencies through co-production and the stated aim of the *“renewal of local public action”*. At the heart of these concerns is also the criticism of an increasingly technocratic decision-making process which is viewed as framing decision-making in ways that do not reflect the original ambitions of co-production and citizen dialogue advanced by elected members, while at the same time creating inefficiencies and failing to meet the aspirations of engaged citizens.

### **In, outside and against the local state: The Risk of Parallel Systems**

At the same time, it is difficult to ignore that much of the resistance and challenge to socio-economic crisis and austerity tends to exist in parallel to the formal participatory apparatus of urban governance. Neighbourhood forums are generally not viewed as spaces for the expression of community resistance. In the

terse words of one officer, *“these spaces ... are spaces for dialogue”*. On the whole, as we found in Athens, civil society actors who advance anti-austerity politics choose not to engage in the formal structures of citizen dialogue across the city, especially in relation to the crisis of available and affordable housing. Indeed, these actors see little strategic value in investing in such arenas: *“Because we have a very militant position, they do not want to see us everywhere. There is ... a roadblock ... We always have this dialogue where they (the city council) do not want to hear certain things. So (the dialogue) becomes completely stuck in these meetings”*.

At the same time, elected representatives and policymakers question the legitimacy, and ‘political’ motives of critical actors. As one policy actor explains: *“you know the people... (and) unfortunately behind (them), there is often a political party or a political opinion or ideologies... So the guy says ‘I’m a citizen’, but in fact behind (him) there is also a political party that expresses itself...”*.

### **Alternatives, Logics and Challenges**

Such judgements bring out the messiness of practices of participation, co-production and the politics of urban collaboration around Nantes’ multiple crises. They draw a contrast between the top-down governance of coproduction and the capacity of communities to challenge dominant policy framings and transform such arenas. Key actors repeatedly argued that there are no neat readings of participatory initiatives in Nantes, for *“each time that you put a debate into the public arena, there are always those people who seize it and manage to construct some counter-power.”* Forms of resistance are

deemed to be part and parcel of the governance of participatory forums across the city.

But, arguably, parallel forms of *“dialogue”* appear to be one of the defining contradictions of the Nantes model and the idiosyncrasies of urban governance *“à la Nantaise”*. As if to sum up these knotty problems, one of our respondents argued resolutely that while community participation across Nantes could not be dismissed as *“mere communication”* and *“display”* – it was not *“just illusion or propaganda!”*. He was, however, quick to add, however, that this did not mean that it had *“the value of an exemplar, as it is often said.”* At least for this respondent, the truth sat somewhere in the ‘messy’ middle.

In recognition of messiness, we point to the risks that commitments to collaborative governance fail adequately to incorporate grievances and demands against social exclusion – or *“décrochage”* – into the dominant discourse of the economic growth coalition in Nantes. As one officer points out, delivering on commitments to become an “inclusive city” requires that the interpretation of, and approach to, *“décrochage”* has to move beyond the aspiration of deprived neighbourhoods merely ‘catching up’. In this view, *‘décrochage’* is *‘not solely about following a logic of repair’*, but requires a more radical transformation of social relations. In other words, as another officer pointed out, there has to be a more consistent attempt to refashion politics and local empowerment. This refashioning has to find a path between input and output politics – the voice of communities and the capacity of

politicians to forge temporary settlements – while finding points of engagement between what are in practice parallel systems of politics. In short, then, it needs to reach out to the margins of excluded communities and negotiate different spaces and *“ethoi”* (ethos) of engagement.

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