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Commentary

Making an impact: when agglomeration boosterism meets antiplanning rhetoric

Staking a claim to expertise

British social scientists are under increasing government pressure to engage with 'the real world' and to demonstrate the value and relevance of their work beyond academia. However, there is a danger that the drive to provide policy-relevant analysis and advice can sometimes lead academics into murky waters as they attempt to navigate around the realities of a predominantly neoliberal political scene while maintaining academic rigour.

Two recent outputs from the London School of Economics (LSE) demonstrate something of the tensions involved. Both convey something of the orthodoxy that infuses much of contemporary thinking about local and regional economic development in Britain and beyond: an orthodoxy that, as we explain subsequently, revolves around what might be described as a mix of agglomeration boosterism and antipathy towards planning.

The LSE Growth Commission is a knowledge exchange programme jointly funded by the Higher Education Funding Council for England and the Economic and Social Research Council (ESRC). The programme involves many well-known figures from the LSE and beyond, with Nobel laureates and peers aplenty. Their work culminated in a report, *Investing in Prosperity* (LSE Growth Commission 2013), which garnered considerable attention in the media and elsewhere. The report provides an often well-argued critique of policy, based on the observation that intervention aimed at reviving national economic fortunes has too often been beset by short-term thinking.

Alongside this is a critique of planning, reiterating longstanding arguments that development in Britain is overregulated and distorted by an array of special interests. The development process, they argue, is impeded by "egregious delays" (page 22) and "political bickering" (page 26). As an alternative, their proposal is for an Infrastructure Planning Unit supported by an Infrastructure Strategy Board, whose expertise would underpin a robust evidence base with which to inform decision making.

The proposals amount to a technocratic utopia in which disinterested economists and other experts exercise expeditious decision making unfettered by spurious citizen complaint or politically motivated meddling. In this alarming vision, a cross-party political consensus (page 24) informed by experts would rather ominously "help to align political views" (page 26). Those with memories of the political and public backlash against technocratic planning in the 1960s and 1970s might well roll their eyes at this point. So too might anyone familiar with recent debates about post-politics and the role of experts in manufacturing 'consensus' solutions that marginalise oppositional voices, dismissing them as somehow irrational or immature (Allmendinger and Haughton, 2012; Swyngedouw, 2011).

The second output stems from work at the Spatial Economics Research Centre (SERC) at the LSE, again funded by the ESRC. As part of its outreach mandate, SERC provides regular policy-friendly articles summarising its work. In one of these, a case is outlined for backing successful areas and avoiding too much 'jam-spreading' to support struggling areas, once more allied to claims that planning constrains growth and imposes high costs (Overman, 2013).

These are provocative arguments that very clearly merit closer scrutiny. That the authors have set out consciously to influence national and local policy, and appear to have achieved their goal, further underlines the need to begin to subject their arguments to critical assessment.

Agglomeration boosterism, spatial blindness, and the construction of antiplanning narratives

Both of the documents on which we focus in this commentary articulate, in broad terms, an approach to local economic development that might be best described as agglomeration boosterism. This is at heart an approach that seeks to build upon success, targeting assistance at already dynamic local economies and ensuring that the returns on government investment—via employment creation and improved productivity, for example—are maximised. The preferred policy solutions are geared towards ensuring the kind of supply-side characteristics that can best promote high-value knowledge-rich economic activity. Typically, these include investing in education and training to ensure a supply of suitably qualified workers, building links with universities to encourage the transfer of technology and expertise, and cultivating cultural vibrancy in order to attract and retain skilled professionals. Previous rationales for spatial policy based on helping turn around struggling areas and seeking to rebalance national and regional economies are subordinated to the need to boost economic growth in already buoyant areas or in areas of untapped growth potential.

Naturally some accounts of the case for growth-first policy deploy more nuanced cases that move beyond these basic tenets of agglomeration boosterism. The LSE Growth Commission, for example, articulates a case that in some respects challenges crude antistate or antiregulation rhetoric:

> "demands for ever greater deregulation and reductions in government spending as a panacea for the UK's growth problems are misguided. Growth is less about the precise size of the state; it is much more about whether the state is smart in the way that it regulates and spends. Having a government that plays a major role in the economy—as we do in the UK—places a premium on well-designed policies that support growth. Achieving this is heavily dependent on having an institutional framework that supports good policy (LSE Growth Commission, 2013, page 6).

Whilst there is much to commend in both the diagnosis and the prescription in this statement, the report as a whole has some notable flaws. One is that little explicit is said about the functioning of the national space economy or about the UK beyond South East England. Geographically targeted intervention is needed apparently to unblock growth in London and the South East. Provision of adequate land for housing and increased infrastructure capacity, for example, are seen as necessary to accommodate future development and to reduce overheating in regions that are said to be critical to national economic performance. Otherwise the analysis is strangely aspatial. A word search of the report reveals that the South East and London merit a few mentions, but there are no references at all to leading provincial cities like Manchester, Leeds, Birmingham, Nottingham, Cardiff, Edinburgh, Glasgow, and Belfast, nor to the wider regions and nations in which they sit.

The problem with this approach is that it means there is little consideration afforded to understanding how policies that are designed to promote growth in successful areas might have adverse impacts elsewhere. For instance, concentrated growth in just one region could lead to regional wage and house price spirals that help fuel national inflation. In related vein, a focus on growth areas and growth potential means there is little sense of how promoting economic development more widely might help to correct a profoundly unbalanced and inequitable national space economy and address the environmental and social problems that result. Indeed, promoting balanced spatial development can help growth areas too, helping ease overdevelopment, congestion, and house price pressures. Instead, what we get is a document that sets out to provide a national strategy for growth but which, to all intents and purposes, neglects most of the nation.

A second issue concerns the recent body of work produced by SERC on planning and urban policy. Much of the SERC research provides valuable insight and new evidence on a range of issues, such as the amenity value of nature (eg, Gibbons et al, 2011). But alongside these important contributions is a rather more problematic critique, summarised by Overman (2013), which sets out in often condemnatory terms the costs of planning and the limits of area-based regeneration policy. The argument starts from the questionable premise that too little is known about the costs of planning, whilst the benefits are said to be widely accepted (Nathan and Overman, 2011; Overman, 2013). Planning is portrayed essentially as a hindrance to growth which needs somehow to be reined in to allow for more agile pro-growth decision making. The silences here are as telling as what is written: there is no acknowledgement of the benefits that are derived from planning, nor is there any explicit consideration of the potentially negative impacts that could emerge from more permissive planning regimes.

The critique of planning and area-based policy is informed primarily by two proxies of success: population growth and productivity (Overman, 2013). Population growth in cities is understandably welcomed, in the wake of persistent net out-migration from industrial cities over several decades. The Manchester local government area is highlighted as a recent success story, having experienced 19% growth from 2001 to 2011. However, an exclusive focus on population growth risks ignoring the intractability of the city's stubbornly high unemployment rates, or its concentrations of poverty. Labour Force Survey statistics reveal that for the year April 2012–March 2013 Manchester had the highest unemployment rate (12.3%) of any local authority district in the North West (Office for National Statistics 2013), reflecting a long-term trend of very high joblessness in the city relative to the regional and national averages. Clearly, population matters to the economic fortunes of places, but when used in isolation from other measures the apparent trajectory of economic change is illusory. What we have here, it seems, is an example of policy-based evidence-making: finding the right data to demonstrate a particular point and ignoring evidence to the contrary.

The productivity measure is equally problematic. Urban policy is taken to task for moving jobs around rather than boosting the productivity of places (Overman 2013, pages 3–4). Concerns about its appropriateness at disaggregated geographical scales notwithstanding, the use of productivity data as a measure of the effectiveness of urban policy is also problematic given that many neighbourhood-focused interventions were predicated on entirely different goals, sometimes avowedly embracing social and spatial redistribution objectives. The National Strategy for Neighbourhood Renewal, covering multiple area-based initiatives, until its demise in 2010, was organised around housing, environmental, crime, employment, health, education, and community development goals (CLG, 2010). In fact, the one explicit objective missing from this multifaceted agenda was productivity, a word whose relevance can be gauged from its omission from the report evaluating the strategy's impact and effectiveness. It is therefore unsurprising that these initiatives should be deemed to have failed when judged retrospectively against an inappropriately imposed criterion.

There is a similarity here to recent debates about the boosterist interpretations of agglomeration economics contained in the World Bank's (2009) *Reshaping Economic Geography* report [see Harvey (2009), Scott (2009), and the special issue of *Economic Geography* edited by Jamie Peck and Eric Sheppard in 2010]. Critics pointed to the reductive reading of the World Bank, which provided an analysis in which social and environmental effects are not considered, except when attempting to emphasise or qualify a key message (Peck and Sheppard, 2010). Critics also noted that, whilst area-based policies may not easily resolve the deep-seated causes of spatially uneven development, there remains a powerful case for ameliorative government intervention, given the social costs and politically destabilising effects of leaving vulnerable areas to market forces (Peck and Sheppard, 2010; Scott, 2009). What this debate between economic geographers and geographical economists revealed were the problems associated with analyses that pay insufficient attention to the effects of policy interactions. Pushing for a greater focus on economic growth in 'successful' areas can have wider impacts than might first appear, triggering potentially damaging effects elsewhere.

It could be argued that sensitivity to interaction effects in recent critiques of planning is similarly underdeveloped. For instance, Zipf's rank-size rule for cities is presented as an empirical regularity (Overman, 2013), deviations from which need to be explained and addressed. Yet evidence suggests that urban hierarchies in different countries, including economically successful ones, do not always conform to the rank-size rule (Soo, 2005). Deviations from the rank-size rule might reflect the agreed policies of governments, rather than the views of technocrats promoting abstract regularity in urban hierarchies. They might also reflect differences in the geographies on which rankings are determined, whether tightly bounded urban units or more generously delimited metropolitan regions (Nitsch, 2005). There is a strong parallel here with David Harvey's (2009, page 1271) critique of the callow market logic embodied by *Reshaping Economic Geography*, and the antiquated adherence of spatial scientists to the contention that "proper spatial ordering can improve efficiency, lower transaction costs and thereby liberate growth."

The problem revealed by the rank-size rule as it applies to Britain is apparently not that London is too big, but that the growth of second-order cities such as Manchester has been impeded by public policy—and especially spatial policy (Overman, 2013). Planning policy is presented as a particular problem because of its role in constraining the supply of housing, raising house prices, and increasing the cost of urban living more generally. This is a familiar, recurring narrative in contemporary British politics. The housing price bubble is presented in a blinkered way, attributed almost exclusively to planning restrictions while ignoring the effects of, for instance, ineffective regulation of financial services or the unsustainable credit boom that precipitated the near collapse of the banking system in 2008.

The case of planning is presented as part of a wider critique of spatial policy. As an alternative to what is referred to as 'jam-spreading', governments are urged to concentrate resources in more successful areas (Overman, 2013). Drawing on the work of colleagues at SERC, it is argued that growth in successful areas has been impeded by imposing inappropriate regulatory interventions, characterised as a 'regulatory tax' (Overman, 2013). This claim is based on the work of Cheshire and Hilber (2008), who estimate the financial consequences of regulatory efforts on build and rental costs, which they claim amounts to a regulatory tax. The use of the word 'tax' is problematic here, indicative of a reductive reading of regulation. Without an indication of the benefits associated with regulation, it is difficult to assess whether the costs are justifiable. Take the case of St Paul's Cathedral in London, which we are told is protected by no fewer than eight view corridors; this is said to increase the costs of development, whilst amenity values are acknowledged but dismissed (Cheshire and Hilber, 2008). An alternative reading is that such 'costs' are in fact the 'benefits' of living in a society where unwanted developments can be contested in public rather than dictated by politicians and developers.

This is a useful example of the kind of difficult-to-quantify, noneconomic benefits that can stem from the regulation of development. Some of the benefits are counterfactual, relating to the deterrent effect of planning policies on those who might otherwise try to impose inappropriate or low-quality developments. It is no coincidence that the Cameron government was forced to withdraw a populist, pro-growth proposal to allow large house extensions to proceed without planning permission, in the face of unanticipated unease among MPs and local electors about the potential amenity costs for neighbours (Booth, 2013). Planning clearly has its value, but it often defies quantification.

The volte face on house extensions points to another failing of poorly conceived attacks on regulation: that we have been here before. The Thatcher governments of the 1980s attempted to curtail planning and created a 'presumption in favour of development'—a move which had backfired within a decade as the Conservatives' electoral heartlands rebelled against unwanted development felt to have environmentally damaging effects and began to lobby for strategy and certainty to be restored as key elements of the planning process (Peck and Tickell, 1995). The Thatcher administrations' resistance to strategic land-use planning was politically unsustainable not only because it ignored popular disquiet about poorly regulated development, but also because it undermined the ability to broker agreement amongst different actors about the release of development land for housing. The result has been often acute shortages of developable land in South East England, fuelling inflationary pressures and leading to national policy responses that are not always appropriate for other regions. The point here is that this imbroglio came about not because of too much planning, but because of the lack of a strong and stable strategic planning system through which to ensure that housing needs could be met.

What we have tried to highlight here are the multiple social, economic, and environmental roles played by planning, often ignored by those constructing the case against planning on economic grounds. Of course, after thirty-five years of neoliberal reforms, the planning system is far from perfect and it can result in perverse, unintended, and suboptimal outcomes; but sometimes there are benefits, indiscernible to crude economistic analyses that view planning simplistically as a cost on development or a burden on productivity.

Neoliberal ciphers and the wholly implausible case for an 'economist tax'

The reductionist logic employed in claims about a regulatory 'tax' could just as easily be appropriated, subverted, and used to bemoan a 'deregulation tax' or an 'economist tax', the nominal rate for which would reflect public expenditure to rescue collapsing banking systems and resuscitate national economies in the wake of the financial crises of 2007–08. The justification here could be that bank-based economists harnessed abstract mathematical models of risk to engineer complex, unmanageable financial instruments that jeopardised the functional integrity of the banking system and ultimately imposed huge social and economic costs via the part nationalisation of banks, quantitative easing, and so on.

Of course the idea of an 'economist tax' is utterly fatuous. It rhetorically presents all economists and bankers as part of the problem, it conflates 'deregulation' and economists, and entirely ignores the benefits of a properly functioning banking system. But the faulty logic here has parallels to arguments underpinning the notion of planning as a form of regulatory tax. The problem is that researchers in SERC and elsewhere have been successful in gaining the attention of government ministers and senior officials by using similar rhetorical devices.

Whilst it is perfectly laudable to try to use academic research to influence policy, there are dangers involved. Firstly, there is a risk of becoming a cipher for wider political agendas—in effect, policy makers have a wide range of ideas presented to them by lobbyists, media commentators, professional bodies, think tanks, and academics, and they draw from these in highly selective ways. Second, and related, in this febrile policy and intellectual environment there are potential dangers for researchers of being seduced into providing provocative analyses in order to gain the attention of policy makers. Whilst not of itself always a bad thing, this can become problematic if the underlying analysis lacks balance and robustness and if resort is made to specious rhetorical devices.

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