

## **A postcard from London**

Michael Edwards 2017

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*Forgive a short message from our offshore island, written in moments diverted from challenging the neo-liberal framing of our city's narrative, watching the eviction of people from homes and expulsion of 'foreign' friends from their city of choice and now, suddenly, grappling with an intractable parliamentary election. All that is solid melts into air.*

*The sub-text is a warm appreciation of what I have learned as a guest at the feast of Moulaert and its community over many years.*

London is a big city by European standards but that's as precise as one can be. Its administrative area was already too small when defined in 1965 and becomes ever more so as its growth sucks commuters from much of England and migrants from everywhere. We know the importance of multi-scalar relationships, though, and live with very distinct and localised economic, social and political experiences in the cities, towns and villages which make up our country: various capitalisms surviving under one Queen (the rentier par excellence) but a country increasingly financialised and divided.

The dominant discourse is so familiar. City leaders, (almost all of) the political parties, policy communities, professions and mainstream media are proud of its rate of population and GDP growth, its prowess in fostering innovation and entrepreneurship, the 'light touch regulation' of its financial, housing and labour markets, its cultural richness, its universities and its youth. A wonderful place; the engine of the nation. Policy is crafted to sustain and extend this pre-eminence, with much reliance on the benefits of agglomeration as a convenient and reassuring rationalisation. The co-location of state and diplomatic functions, finance, business HQs, elite universities (including Oxford and Cambridge an hour away) and leading cultural institutions has been a winning combination. The magic might even, we are told, carry us through our separation from the European Union. It can be presented also as green: public transport is elaborate, expanding and popular, we have reversed the growth of car use and cycling is booming.

But London is a poverty machine as well as a wealth machine and has been for centuries, harvesting the value produced under slavery in the former empire and in the post-imperial world, exploiting its resident

working class in making the coffee, cleaning up, doing the caring, building, driving and security to support the growth. So it's a city of growing inequalities and it's not so green either: its road space is increasingly filled with diesel vehicles delivering online orders and ferrying passengers who summon them by apps. The air is illegally toxic and we don't even count our massive use of air travel and container shipping in computing our pollution load.

Much of this could be said of other cities but there are some distinctive London or British features in our local experience.

Above all Britain embodies the strong survival and periodic renewal of the privileges attaching to land ownership. Monarchy and aristocracy were never abolished and the early evolution of capitalism benefitted from the channeling of old landed wealth into capitalist enterprise – in the expansion of a slave-based empire, in the innovations of factory and mining production and in speculative urban development and infrastructure. Land owning interests have retained, though all this, powerful privileges in taxation, their contractual relations with tenants, inheritance and political representation. The privatisation of common land in earlier centuries has a natural continuity with today's enclosures of public space, commodification of collective assets and subordination of public planning to private profit. All of this has generated great contradictions along the way as private land ownership has blocked and distorted the evolution of infrastructure and cities, prevented the efficient housing of the population and starved local administrations of revenues.

Modern London is substantially a product of successive waves of speculative investment, but also contains the products of important class struggles in the form of extensive social housing, mainly distributed through the inner neighbourhoods where left local authorities built workers' housing in the 20<sup>th</sup> century. This has given inner parts of London a rather fine-grain mixing of social class and some inoculation against rapid transformation: a distinctive feature of the city and one which we had rather taken for granted.

The other important and distinctive inheritance is the planning system established after World War II as part of the social democratic settlement and the policies and practices which developed it in the subsequent decades. In particular London is surrounded by a green belt, now merging into other restrictive designations of open land which extend far into the surrounding regions, preventing lateral urban growth. And within the urban areas we have many restrictive designations protecting neighbourhood character, architectural interest, views and landscapes. The market in housing is also a market in proximity to these amenities, to the best schools (in a highly unequal system) and environments. A few of us argue about the relative importance of monopoly, absolute and differential rent but we all agree that rent is a massive allocator of the social product.

It is in these specific London conditions that housing market demand has surged. It has been a combination of population growth, income growth for the rich who then tend to acquire more housing, subsidy and policy support by governments for expanding ownership and capital accumulation —and all that backed by three decades of credit expansion. Overall this has been a financialised boom in house prices. Affordability falls and the proportion of households in owner-occupation which had risen since 1918, peaked in the 90s, has fallen as more dwellings are switched to private renting —a tenure form almost completely unregulated and highly insecure for tenants. More and more households are driven to rent privately at almost all income levels: better paid workers who can't afford to buy and poorer workers who would, in former times, have entered social housing. The social sector has shrunk steadily through privatisation and is now rapidly eroding as many housing providers raise their rents closer to market levels. In real terms London earnings are among the lowest in the UK and have recovered more slowly than other regions since the credit crunch of 2007/8. London workers are thus simply unable to compete in this bloated market. That contradiction had been bridged by Housing Benefit, a part of the social security regime which government capped in a desperate attempt to contain its escalating cost. Wages remain low and static for much of the population while rents continue to escalate. The outcomes are an accelerated displacement of people to cheaper areas —often far from London— growing overcrowding, broken and dispersed communities, ill health and disruption of schooling. Mainstream economists point out how well our unregulated private rental sector meets the needs of a dynamic economy: anyone arriving in London can find housing to suit their purse and preferences within a day: a penthouse or villa for the rich; a shared bed in a damp cellar for the poor.

Finally the housing crisis has become a crisis for the productive economy as land used for industry, workshops and other economic activity can be sold at prices between 3 and 10 times higher if it can be switched to speculative housing use. Planners, under strong pressure from politicians —and all of them bewitched by supply-side economists— have permitted and encouraged this switch, ignoring the erasure of economic life and useful services which had existed on this land.

In this context there are the beginnings of resistance: untidy coalitions of housing tenants —always rather fragmented by the different kinds of landlords they confront— environmentalists, small and medium enterprises and neighbourhood associations. London has always had a tradition of micro-local activism and the challenge has been to knit local struggles with policy debates at city-wide scale. My own involvement has been with the Just Space network in which about 100 organisations support each other in this activity: building both organisational capacity and counter-narratives to the neo-liberal orthodoxy. This is the forging of new 'communities of practice', especially in the governance of landed

commons: the streets, green (and blue) space and the social housing estates so hated and demonised by the elites.

In the present conjuncture we have the national state pumping billions into radial transport infrastructure so that the growth can continue, fuelling land and property markets where the value is harvested by owners, investors and their attendant professions. The local state fosters densification on multiple fronts (though not in the most privileged areas) and prizes open new investment opportunities on former social housing and industrial sites. The central bank is aware that the financial system is at risk of this bubble bursting. We shall see. Meanwhile the challenge is to grow the critiques and resistance from the bottom up, maintaining exchanges with other scales and movements in other regions and countries.

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A longer text with more emphasis on housing, and with references and links, is a free download: Edwards, Michael (2016 April) The Housing Crisis and London, in Special Feature on London edited by Anna Minton and Paul Watt, *City*, 20, 2, 222-237, open access at <http://www.tandfonline.com/doi/full/10.1080/13604813.2016.1145947>

The web site <http://justspace.org.uk> has links to official and oppositional reports and academic work, together with campaign documents and plans. The network is part of the European Consortium for Rights to Housing and the City <http://www.housingnotprofit.org/en> and has links with [INURA.org](http://INURA.org)