

Sustainability and the Megalopolis Seminar Series
Policy Frameworks for the Megalopolis: Economics,
Planning and Governance
17th June 2009

bridging the gaps
Supported by: Sustainable Urban Spaces

Speakers

Prof. Alan Penn (The Bartlett School of Graduate Studies)
'Managing urban dynamics: Space, institutions and markets.'

Prof. Stephen Smith (UCL Department of Economics)
'Policy frameworks for the megalopolis: economics'.

Prof. Mark Tewdwr-Jones (Bartlett School of Planning)
'Managing the Land: Governance and Resilience for Sustainable Cities.'

Dr. Colin Provost (UCL School of Public Policy)
'The Governance of Sustainable Development in the U.S. and U.K.'

Dr. Jane Holder (UCL Faculty of Laws)
'Planning and Governance Through Environmental Assessment.'

Summary

In the final seminar of the sustainability and the megalopolis series, speakers drawn from UCL's Bartlett School of Planning, Bartlett School of Graduate Studies, Department of Economics, School of Public Policy, and School of Laws discussed the changing roles economics, planning, and governance had to play in the development of complex urban regions and their sustainability.

Alan Penn's presentation 'Managing urban dynamics: Space, institutions, and markets' addressed the interaction between two differing perspectives on the city: the static and the dynamic. The static viewpoint sees its primary tools as the design of fixed infrastructure and urban places through land use and transport planning, and urban design; while the dynamic perspective considers the primary role of policy to be to direct urban development along desired pathways through the strategic application of regulation and incentives. Penn argued, however, that urban systems were, in fact, composed of elements of each.

A dynamic viewpoint results in Policy Type 1 in which taxation and incentives are the primary tools. Constrained by the underlying structures of the megalopolis, they regulate and incentivise desired behaviours. This type of policy is often applied to areas of territory, for example the London Dockland Development Area, with its tax incentives for development and reduced planning constraints. Land use and transport planning and urban design, on the other hand, would be policies of Type 2 which seek to change the underlying spatial and physical structures and landscape of the city and so to change its emergent development pathways. Policy Type 2 however, acts on the predominantly linear and networked structure of the city through which different parts of the urban landscape are linked together to form the urban whole. The social and economic function of the city, Penn argued, relied upon interface between infrastructural networks (influenced by Policy Type 2) and land parcels (influenced by Policy Type 1). Different professional groups tend to work with different policy sets, but currently their knowledge of how these two sets of policies interact is insufficient to allow them to properly define what to do in either regulatory or design terms. How these different perspectives and policy types come together is where the research challenge now lies.

Building on the notion of the dynamic properties of the potentially unstable, fast-moving, and unpredictable megalopolis, **Stephen Smith** tackled 'Policy frameworks for megalopolises: Economics' in his presentation. Economics can think about the mechanisms for dealing with change, new knowledge and the consequences of different types of policy. Examining the economics for different arrangements of governments and the types of government that might be appropriate for megalopolises, Smith noted the different layers ranging from the EU down to parish governments, and asked what the areas of responsibility of decentralized governments should be. In order for a large scale urban area to function efficiently, it is critical to organize and finance governance effectively. Governments are financed by taxes, cuts in tax revenues, hypothecated tax revenues and direct financial transfers from other levels of government. Choices made on decentralized government, how it is organized and how it is financed can have significant implications for the effective functioning of government and the spatial pattern of economic activity.

Smith considered the implications of the megalopolis's process of urbanisation, its scale, and the pace of urban growth and change on the design of taxation. Urbanisation and scale provoke questions surrounding the geographical subdivision of governments. A continually growing megalopolitan government may grow beyond the efficient scale of operation. Smith argued that government organizations typically reach a point at which cost per unit/ cost per person served start to rise, and that a central government that covers the whole unit may therefore be inefficient for the production of government services. Large scale will also make formula-based allocation of financial transfers to local areas very difficult. The pace of growth and change means that any government organization that is set up needs to be capable of accommodating rapid transitions in the spatial distribution of people and their activities. Any form of decentralized government needs to take into account the rapid pace of growth and change. There were, Smith argued, three options: unitary government (unattractive due to its scale and risk of inefficiency), spatially defined decentralized government (difficult because there is no natural way of spatially subdividing megalopolises), and layered government structures that separate the functions of government. Layering, Smith contended, would avoid the problems of colossal scale and subdivision.

Mark Tewdwr-Jones, in his presentation ‘Managing the Land: Governance and Resilience for Sustainable Cities’, continued by thinking about the dynamics of land pressures within, and caused by, the city. Tewdwr-Jones is currently involved in a Foresight project for the government called ‘Land-use Futures’ that looks at land over the next fifty years and considers where the drivers of change might come from, how we might try to govern these fluid processes as they are happening, and how to marry up the short term with the long term issues looking beyond the five year election cycle. Landscape constantly changes, he explained, and the countryside is as much a changing economic landscape as rural idyll. Studying land-use raises questions about functional relationships between the rural and the urban in the future, and about what happens when that landscape is in the hands of a government that might view it not in a spatial sense but in a functional or economic sense.

The shape of our future cities will have immense implications for their wider regions. Variables such as migration and climate change make it difficult to make confident predictions that allow for effective policy making and the provision of infrastructure. Conflicting issues of national and local interest lead to unsustainable decisions for short term economic growth that, for instance, propose building runways and airports in areas of the greenbelt despite established policy that dictates otherwise. In the UK, dominant policy can be turned upside down for the sake of political or economic expediency, making ours one of the most flexible planning systems in the world. The government will often make national decisions disregarding local issues. When managing the sustainable cities of the future, Tewdwr-Jones argued, there needs to be opportunities for the public to express a voice in the process and it is necessary to link the dilemmas of growth vs. environmental protection and local vs. regional/national, while combining the market with elements of restraint and political priorities.

Colin Provost in his presentation on ‘Governance of Urban Sustainable Development in the United States and United Kingdom’ considered the dilemmas that affect the creation and maintenance of sustainable cities. Provost examined the ways in which the structures of, and interactions between, horizontal and vertical governance affected drives for sustainability. Problems of sustainable development often require collective action because air and water pollution, for instance, cross local boundaries. No one government necessarily has the incentive to act first, while entrepreneurial action by one local government can result in free-riding by others. Levels of difficulty in negotiation depend on transaction costs. If transaction costs are low, local governments may negotiate. As transaction costs rise and problems cross multiple boundaries, negotiation becomes problematic and collective action problems proliferate. Small autonomous local government structures can be innovative and competitive; however, they also have a tendency to be fragmented and more prone to horizontal collective action problems. In U.S cities, powerful, autonomous local governments are often reluctant to surrender authority to regional governments, while in the U.K local governments are still largely seen as subservient to national government.

Cooperative policies work best with committed local governments. These are also more likely to join voluntary international climate change initiatives. Some local governments, however, show little commitment to sustainability initiatives and may require coercion, increased capacity, and the improvement of citizen awareness. Increased public consultation with neighbourhood associations and environmental groups in the U.K and U.S and the replacement in some U.S cities of large elections with district

elections has led to better representation of local environmental interests. Provost thus concluded that eliciting participation of local interests could help limit growth and promote environmental sustainability, local autonomous governments could be good for innovation in sustainability initiatives and a commitment and capacity to overcome cross-boundary problems was necessary. Guidance and resources from regional and national tiers of government was, however, still vital in the creation and maintenance of sustainable cities.

Jane Holder continued by drawing on issues relating to governance, planning, and sustainability in her presentation 'Planning and Governance Through Environmental Assessment.' There are, Holder explained, different types of environmental assessment operating at various levels: Environmental Impact Assessment and Strategic Environmental Assessment. Environmental Impact Assessment identifies the environmental effects of projects, while Strategic Environmental Assessment expands on this to look at the environmental effects of policies and plans. Environmental Assessment was introduced in formal terms in the mid-80s under EC directives and was joined by the strategic form in 2001. The law has dealt with the expansion of environmental concerns with the corresponding expansion of the subject and remit of environmental assessment.

Environmental assessment, Holder explained, is a procedural mechanism that aims at reorienting decision making and policy making in a particular direction, trying to change the culture of decision making at various levels of government; however, ultimately, the political decision can override the outcome of this legal procedure. Environmental assessment brings together scientific information, lay participation and political decision making within its legal framework. Environmental assessment could thus be beneficial to the growth and development of megacities for two reasons. First, it operates at different levels; and second, it has the scope to take into account the cumulative effects of a number of developments, particularly at strategic level. Environmental assessment could thus function as a tier of decision making. With regards planning, environmental, and sustainability implications in large scale megacities, environmental assessment provides a way in for local communities to participate effectively. It can act as a form of local democracy subject to the partiality of information that forms the subject of many environmental statements. Environmental assessment does need, however, to start taking into account environmental justice considerations. Holder concluded, however, that environmental assessment was already too overloaded and that a parallel form of social impact analysis was necessary to bridge the gap between planning, conservation and environmental law.

In the discussion that followed four main themes emerged.

1. Terminology

As in some previous seminars, Jane Holder also asked whether the term sustainability still had currency and whether the term transition should replace it. She concluded that the term did still have some currency. Sustainability has entered the legal language and exists in an increasing amount of legislation. The term has, however, become increasingly slippery. It is often used to make commercial actions appear highly desirable to the public. It was suggested that sustainability as a political philosophy was no longer polarized between the right and left, but had become subsumed in pragmatic debates on the right. What we mean by sustainability, Stephen Smith argued, should not be constant

or perpetual but should reflect something of a dynamic evolving world and the direction evolutions take. The design of institutions and processes should guide sustainability matters most in creating systems and mechanisms rather than things.

2. Private governments and private communities

In response to a question on the role of private 'gated' communities, Stephen Smith, responded that he thought private economic 'apartheid' communities, though privately rational are not socially desirable, in that leaving a residual community behind without institutional resources incurs unforeseen costs to others. If there is too much demand for a particular quality of environment, Alan Penn stated, then a natural response is to bound it and demand money for access. Smith, however, responded that what drove the creation of gated communities was not necessarily the bounding of desired spaces, but rather the exclusion of certain groups of people. It is a process of polarization.

3. The principles driving sustainability—central planning vs. market forces.

Central planning at one extreme and the free market at the other are both driving mechanisms for achieving sustainability. Top-down planning can minimize certain costs, while the market can give distributed information about where resources are best placed. Most situations are between or combination of the two. Mark Tewdwr-Jones argued that drives for sustainability based on economic models and principles are no longer sufficient in challenging fundamental problems about people's right to make critical decisions about their lives, where they live, and how they operate.

The planning establishment arose to try and rectify the ills of poor quality housing, unemployment and Victorian infrastructure. It was argued thus that there needs to be a new political consensus around sustainability of the sort that supported planning in the past, setting forth clear principles into which economic models could be fitted and around which debates about environmental assessment could take place. The concern, however, is whether sustainability can be planned and conversely whether planning can sustain sustainability. Sustainable development as a political policy objective has been bolted on to the existing system. Should we, as Mark Tewdwr-Jones suggested, in fact get rid of our existing planning system and start with the land and natural resource capacity, and then consider sustainable land-use and development, and then plan it.

4. Rational and irrational responses to urban growth and development

How can communities' often irrational responses to development projects be incorporated into the planning processes? How can a thirst for suburbs be balanced with peoples' equal protectiveness of the green belt? How are people's and government's attitudes towards the city formed and how much do they respond to what is in our heads and our social and governmental structure? Jane Holder responded that environmental assessment although purporting to change mindsets, was essentially a modernist mechanism that aims to make concrete predictions about what the effects of a project will be. The people who use environmental assessment to oppose development know this, and use it as a means of protesting and buying time. The limitations of environmental assessment as a rationalist tool are recognized and the challenge is to see how one can move away from that and use environmental assessment imaginatively and in a less rationalist way to create a forum that might show people what a sustainable city will look like.

Mark Tewdwr-Jones argued that although planning pretended to be a rational process, it was anything but. At one time planning involved little or no public involvement and thus relied on the rational judgments of professional planners who planned for the 'public interest'. In reality rational and irrational statements reveal that we are still predominantly anti-city in the UK. Is this a rational position? The problem, Tewdwr-Jones argued, was not whether something was rational or irrational but rather where the principles have gone. This has been compounded by a fragmented state. The problem with sustainability in the UK is that it has been politicized and made infinitely malleable. There needs to be, he argued, a return to core principles about what we do and do not value about our urban spaces and the impact of the city on wider regions.

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22nd May 2009

We would appreciate your comments, please email karolina.kendall-bush@ucl.ac.uk with any comments or corrections you may have.