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The Role of Culture in the Strategies of City Regeneration

The issue of 'city regeneration' has become relevant to an array of problems related to culture and society ever since it inaugurated, as its particular and distinctive feature, the third period in the historical sequence of cultural policies after the Second World War. Following the policies of decentralisation (the cultural policy of French minister André Malraux in the fifties with the goal of bringing cultural institutions to people across the country) and democratisation (the question of participation in the sixties with the goal of bringing people to cultural institutions), 'city regeneration' has now become the prevailing doctrine among activists, experts and politicians. Policies of decentralisation and democratisation were implemented and controlled by national governments and were implemented on the scale of entire states, while city regeneration policies are the responsibility of municipal authorities and are meant to apply only to urban spaces.[1]

The question of the urban condition has grown in importance as a result of the transfer of political power from nation state to the local levels. While national authorities mostly limit themselves to assisting the 'invisible hand' of the free market and to expanding its reach, cities remain alone in combating poverty, economic decline and social conflicts within their domain. They have to assume heterogeneous roles; they protect and encourage local economies, while at the same time they have to guarantee social peace and assume responsibility for all kinds of public services. Cities have been accorded the unrewarding task of managing contradicting interests.

The function given to 'culture' in the strategies of 'city regeneration' is to make these contradictions non-contradictory. According to the 'studies of the economic impact of culture', culture can be the generator of economic wealth and the shock absorber of social tensions in cities. This suggestion, promoted by the economic impact studies of culture, established cultural practices as a useful tool in curing city wounds - wounds inflicted by unemployment, poverty, pollution and the lack of public services. Within the

strategies of 'city regeneration', culture became a magic wand, expected to solve all these problems, to make the majority of people richer and happier, creative and independent, sympathetic and cooperative.

City regeneration

According to analysts and experts, the cultural industry brings its investors profits the scale of which other industrial sectors can only dream.[1] The profits are supposed to be higher than in any other sector. As a consequence, the experts and policy makers have drawn a conclusion that the cultural industry is one of the most promising Western industries in the world competition. Although Western economy is undergoing important and often painful structural changes, it is the service sector and entertainment industries that will secure the continuation of the hegemony of the Western world during globalisation. The basic premise is that within the circuit of the globalised economy, an unequal exchange of commodities is taking place: cheap labour-intensive products travel in one direction, expensive 'knowledge-intensive' products in the opposite direction. The argumentation obviously speaks in flattering terms to the Western economy.

Cultural products are prominent among 'knowledge-intensive' products. Therefore cultural production must be industrialised in order to be exported in great quantity. This is the perspective of investors, so we can understand that they promote the commodification of the sectors that bring them money. It is much less clear why the majority of cultural workers, administrators and users have adopted the same position. As a matter of fact, the cultural industry is not a completely new phenomenon they are confronted with. Adorno's and Horkheimer's critical social theory already mercilessly confronted it immediately after the Second World War and analysed its negative social impact.

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[1] The reader may consult many studies that develop such arguments: *Culture, Trade and Globalisation* (Paris, Unesco publishing, 2003); »The Contribution of Copyright and Related Rights to the European Economy« (Media Group – Business Research and Development Centre, Turku School of Economics and Business Administration, 2003, http://ec.europa.eu/internal_market/copyright/docs/studies/etd2002b53001e34_en.pdf); and the recent *Study on the Economy of Culture in Europe* (KEA European Affairs in cooperation with Media Group (Turku School of Economic and Business Administration) and MKW Wirtschaftsforschung GMbH, 2006, http://ec.europa.eu/culture/eac/sources_info/studies/economy_en.html).

Although Adorno and Horkheimer still find sympathetic readers among art critics and art historians, their objections have no value for economists and policy makers. We will not attempt to alter the well-entrenched positions of such policy makers, but, instead, we will try to show that this radical re-orientation towards service industry and cultural industry in the West can also have negative long-term effects. We can present the situation with two analogies known from classical political economy. Under the first analogy, present processes can be conceived as the reverse of the classic worry regarding the relation between the demographic growth and its consequence, the necessary increase in agricultural production. With the increase of population, the cultivation of land also expands. According to Ricardo's argument, people first cultivate the most fertile land, then, if population grows, they pass to less and less fertile land. Prices of food then increase and under the double pressure of decreasing profits and increasing wages (to meet the growing cost of the reproduction of labour force) the economy finally crumbles. Globalisation offers an inverted picture: instead of cultivating more and more expensive distant fields, capital started cultivating cheaper and cheaper distant labour markets. Profits went up – but capital deserted the rich core countries with expensive labour force. Having become unattractive for capital investment, the expensive core Western countries had to invent niches where the investment could still be profitable. Cultural industries were one of the newly invented niches.

The other analogy would be Marxian: when the barriers of national economies had been torn down, huge 'reserve armies' of labour force emerged beyond the horizon of the Western world. Capital was swift to get hold of them – only to face a double threat: that of an eventual impossibility to release the product in the weakened Western markets (with the growing unemployment and the decrease of purchasing power in Europe after the withdrawal of core industries into the third world); and that of depreciation of the capital itself if the low value of the newly recruited labour were to determine the value of the product. As soon as the barriers between economies have been torn down, the necessity arose to establish them anew. The solution to the crisis came in the form of the Schengen system, the migration policies, and the rise of the new rich elites in poor countries; the cultural industries were part and parcel of this solution.

Generally speaking, it was the expanded participation of the peripheral third world in the world economy that caused the crisis. The consequent draining of various industries (such as textile and metal industries) from the West and the relocation of these

industries to Asia and South America pushed the countries in the West to re-orient investors toward service industries and entertainment business. The interests of investors coincided with the interests of national economies – both try to save the supremacy of Western economy by nurturing its new economic niches. The service sector (including finances, security, banking, health, education), the entertainment business, telecommunication, information, and military industries have become the specialised niches of the West in the era of globalisation. The sudden resonance of entertainment industries (i.e., 'cultural', 'creative' or even 'symbolic' industries) in the 1980s could also be seen as a sign of the impoverishment of the West, not the opposite.

Moreover, the service and entertainment sectors have prospered during the 1980s due to the privatisation of the public services.[2] Privatisation of public television channels, media, recognition of authors' and related rights helped these industries to blossom but dismantled more general and more important rights to knowledge, culture, and information. Nowadays entertainment business promises to contribute to economic growth, on the condition that more public rights will be dismantled and more rights will be accorded to 'business'. As a consequence, social cohesion and social equality of Western countries, their great comparative advantages that could, until recently, alleviate negative economic trends, are likely to be progressively dismantled. It is quite possible that Western countries will have to face two grave perils in the forthcoming period: the loss of their past economic power and the disintegration of social relations.

How does the city regeneration fit into this context? Along the process of globalisation, national authorities had to transfer some of their tasks to supranational bodies – WTO, WB, EU, and so on. Having given away some of their power to international bodies, they gave away also their capacity of control over economic crises and their instruments of balancing the negative effects of profit-driven economy upon society. Cities have been facing the economic crisis in the most direct way, confronted with (unemployment, homelessness, dirtiness, lack of lodgings, crime, violence, destruction of public services – public transport, waste disposal, water supply, and so on).

Business control
Within the framework of Richard Florida's creative class theory, we hear that new economies liberate working force from the artisan and industrial constraints. According to these theories, cultural industries enabled the so-called 'rise of creative class'. This class

of new working force presumably supplants the 'domesticated gorilla' of the assembly line and the obsequious apprentice of the artisan workshop. In contrast to these two groups of working force, according to Richard Florida, the creative worker is liberated because he has his means of production in his head and is less dependent on his employer than ever before.[3]

But did not Aristotle call people comprising such a social group 'speaking instruments'? However, if we examine the term 'creative worker', we see that it is an expansion of the term 'artistic worker'. 'Creative worker' was coined in order to embrace occupations which have nothing to do with art, such as advertising, applied arts, design, and even financial business, law, and so on. Along with this expansion of the term 'artistic creation', the Romantic understanding of art became banal because everything can be artistic and creative nowadays.

Florida could proclaim that 'creative workers' are a new 'class' on condition that they represent a new production mode as well. 'Creative work', according to Florida, is a work created out of 'nothing'; if it is true then this kind of work does not easily relate to the idea of productivity and the creation of new value. Nonetheless, the labour market reflects that "creative work" is really atypical production process. This kind of labour is the vanguard in the reorganisation of the work process – it was the first to introduce flexible work, underpaid working agreements, extension of working time, temporary and partial jobs, and so on. First of all, the 'creative class' distinguished itself from other working groups by dismantling the rights the working force achieved through history and protected by social-democratic national economies and their legal regulations. This new organisation of the working process was then 'exported' to other domains of old-fashioned organisation of work: industry, agriculture, and services.

'Creative industries' predominantly recruit well-educated people and employ highly skilled labour force, the product of a good public education system in the 1960s and the 1970s. A well-educated social stratum represents the intellectual power of a society and is its vital part. If the creative industry 'seizes' these people and forces unfavourable working agreements upon them, it places this social group in great dependence on commercial enterprises. Its intellectual power is usurped to serve mere interests of profit: consequently, the side effect of such a process is that this social group is placed under 'business control' and becomes intellectually impotent. The sacrifice of intellectuals for

the benefit of economic growth can provide only temporary gains, while in the long-term perspective societies are going to lose a lot. The 'waste' of intellectuals for the benefit of business is, to put it simply, irresponsible management of 'human resources'.

Unfavourable working agreements in the cultural industries (extension of working time, outsourcing, flexible jobs, and temporary jobs) are also a means of reducing the companies' production costs. Such agreements were a tactic that enabled investors to enjoy extra profits and one of the reasons for the increasing interest in this economic sector by investors. But the strategy of economically and intellectually pressurising creative people and intellectuals is devastating for any society in the long-term.

What 'culture' does when it 'regenerates' the city
The introduction of this paper stated that the city regeneration theories form the dominant cultural policy approach nowadays. By their extension, the city regeneration theories are similar to Malraux's 'general access' cultural policy in the 1950s and the 1960s or to 'participation in culture' interests of the 1970s and the 1980s. It is therefore the model according to which funding systems (urban pilot projects, structural and cohesion funds, for example) and cultural policy documents are formed. It is not a mere idea anymore, since it is already very much interwoven with social institutions and materialised in a specific way. When speaking about what 'culture' does when it 'regenerates' the city, we are addressing real social phenomena.

1. De-politicisation of societies
First of all, 'culture', when involved in the strategies of city regeneration, depoliticises society. It means that political problems, such as class conflict, immigrant issues, poverty and unemployment assume the form of cultural problems. Concretely, the issue of immigrants and their role in local labour markets (where employers use immigrants in the battle against domestic working force as a means of reducing the cost of labour and of dismantling the power of trade unions)[4] is presented as an issue of 'multiculturalism'. Political questions of working class rights are therefore transformed into cultural questions and put on the political agenda as a question of cultural tolerance. Consequently, the workers antagonism towards immigrants is presented as racism, a racism that politicians try to cure via Christian ethics ('love thy neighbour'). It is not the colour of the skin or religion that triggers a modern racism, but the structural position of

immigrant labour force on the labour market that can not be reconciled by moral categories like racism or tolerance.

A similar displacement of problems from the original situation to culture is happening in an alternative culture centre Metelkova in Ljubljana. The culture centre suffers from recurring harassment by the authorities. The centre is far from being merely a culture centre; it offers political freedom and supports the right of young people to assemble and to participate in social and cultural life. In contrast, within the public debate the culture centre is presented as an issue of 'cultural diversity'. If cultural diversity is a criterion that deserves certain priority in the determination of local cultural policies across Europe, in this particular case, it is used as an argument against 'diverging' cultural practices. The noise, graffiti and counter culture practices that disturb neighbours are employed as arguments in characterising the centre as a non-cultural organisation. With the awakening of the old aesthetic questions (for instance high culture against counter culture) the political dimension of the problem is trivialised and the path is opened for the suppression of the youth along with the liquidation of the political resistance such groups represent.

2. Gentrification vs. pauperism

Secondly, culture, once applied in the 'city regeneration' policies, divides city spaces into gentrified and impoverished areas. It is usually stated that such effect could be avoided if local cultural policies avoid giving precedence only to flagship projects, i.e., the pretentious investments in elitist cultural institutions.[5] If cultural policies are more cautious about the needs of local communities and neighbourhoods (as the need for minor local centres and educational programs), the division into gentrified and impoverished city areas would be significantly reduced. The issue is much more complicated, as Sharon Zukin demonstrated in the book *The Cultures of Cities*.[6] The author analyses gentrification and culture in the broader perspective of city economics. We would expect that the advocates of city regeneration would be interested in economic questions because the economic recovery is one of their prevailing arguments. In reality they rarely come up with serious analysis in these terms.[7] That is the reason why Sharon Zukin's argument is so inspiring. Taking a broad economic perspective, she was able to assess that the effect of gentrification is produced by offering culture and art as mere bait to attract more capital and more investments in the city. Consequently, culture and art necessarily produce all kinds of exclusions. Projects of city embellishment drive away

homeless people and low-rent residents as, for example, in the 'regeneration' of the Soho district and Bryant Park in New York. Cultural and tourist industries produce pauperism with maximisation of profits through the exploitation of working force (flexible working agreements and temporary jobs for artists and cultural workers). Since the economic recovery through cultural and artistic projects is the most important goal in the city regeneration theories, Sharon Zukin's empirical research rebuts the basic argument of these theories.

3. Intensification of economic and social tensions

Thirdly, the use of culture in city regeneration strategies intensifies economic and social tensions. The misleading presumption of contemporary urban renewal is that economic development of cultural industries would automatically ease economic and social tensions because these industries are cultural by nature. This goes back to the old European idea of culture, born already in the Renaissance, that culture could be the remedy to all the difficulties of humanity. In more recent times, critical social theory radically opposed such expectations, pointing out that every monument of art can also be a monument of barbarism. We should listen to these warnings too.

If we mostly utilise culture and art for the purposes of economic growth, we build nothing but fancy monuments of capitalism. Culture and art can veil economic and social tensions but cannot resolve them, just as Renaissance cultural objects concealed economic and social differentiation that gave birth to modern European art. Because of economic differentiation, wealth, in the Renaissance, was accumulated in the hands of the few rich who could then generously 'give it back' in the form of art and culture. In the contemporary jargon this 'giving back' is called corporate social responsibility. This is the most that city regeneration strategies can offer. They certainly cannot keep the promise that of resolving social conflicts and abolishing economic differences. What city regeneration strategies can do is to make cities look better; they can organise events to make cities more attractive for tourists and locals; they can produce 'identities' and tourist destinations; they can raise corporate social responsibility and, from time to time, direct the attention of the wealthy towards the needs of poor communities. But city regeneration strategies cannot significantly help the poor and the communities in need because they have one Lord, the money and its urge to multiply. Money leads the game called 'city regeneration' while culture is an arena of false philanthropy where corporate businesses and private wealthy men alleviate bad conscious or "soften" their public images.[8]

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[1] More than half of the global population now lives in cities and their percentage is still growing. The idea of city regeneration is also a response to the present growth of cities and to the increase in the number of their inhabitants. It is estimated that in 2015 there will be 23 cities with more than ten millions of inhabitants, nineteen of which will be in under-developed countries. Cf. Agostino Petrillo, *Villaggi, città, megalopolis* (Rome: Carocci, 2006), p. 59.

[2] David Hesmondhalgh, *The Cultural Industries* (London; New Delhi: Thousand Oaks-Sage Publications, 2002).

[3] Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002), p. 37.

[4] Maja Breznik, 'Umazano delo, umazano ljudstvo / Dirty Work, Dirty People/', in: Vesna Leskošek (ed.), *Mi in oni* (Ljubljana: Mirovni inštitut, 2005), pp. 131-48.

[5] Franco Bianchini, *et al, Culture and Neighbourhoods* (Brussels: Council of Europe Publishing, 1995).

[6] Sharon Zukin, *The Cultures of Cities* (Oxford: Blackwell Publishing, 1995).

[7] For example: Charles Landry, *The Creative Cities. A Toolkit for Urban Innovators* (London: Comedia, 2000).

[8] A more extensive version of this article was published previously in: Nada Švob-Đokic, (ed.), *The Creative City: Crossing Visions and New Realities: collection of papers from the course on 'Cultural Transitions in Southeastern Europe'*, Dubrovnik, 2006, Culturelink joint publication series, 11 (Zagreb: Institute for International Relations, 2007), pp. 81-94.