RESEARCH PAPERS

from the Department of Society and Globalisation

Institut for Samfund og Globalisering

Urban competition and urban crisis:

Urban Politics in Denmark

Hans Thor Andersen

Urban competition and urban crisis:

Urban Politics in Denmark

Hans Thor Andersen

Roskilde University, Denmark

Research Papers from the Department of Society and Globalisation, Roskilde University, Denmark.

Working paper series

The Department of Society and Globalisation is one of the largest at Roskilde University with 75 permanent scientific personnel together with several Ph.Ds, and other teaching staff. Most of the academic personnel have a background in economics, political science or sociology. It is a general goal of our department and the rest of Roskilde University to foster interdisciplinary teaching and research. The later can be seen from the four main research lines of the department, namely:

- ❖ Welfare State and welfare society
- ❖ Public organisation and poliy analysis
- ❖ Innovation and processes of change in service and industry
- ❖ Institutions, actors and institutionalisation
- ❖ Public sector economics, organisation and planning

The Research Papers from the Department of Society and Globalisation are edited by Associate Professor Susana Borras & Janni Villadsen.

Abstract: The essay discusses Danish urban politics and its present-day challenges in two partly separated sections: first, the intra-urban issues of social change, marginalisation and exclusion, and related problems; and secondly, inter-urban or regional development. Finally, the essay ends with a discussion of current trends in urban policy: are we on our way to more market domination and less state control? Urban policy is a quite broad topic, which cannot easily be defined. In this essay, urban policy is used more pragmatically. In general, it can be used in three different ways: as a policy directed towards steering and regulating cities and their internal conditions; as a sector policy targeted at specific urban phenomena, such as traffic policy, housing and planning policies; and as sector policies, such as financial or social policy with unintended urban effects. This essay will focus on the first, intended sort of urban policies, although others forms have had major impact on the shaping of urban conditions.

Preface: This report of four essays is outcome of readings into and meetings with the French sociologist Jacques Donzelot. It is hard not to remember Jacques Donzelot when one has had the opportunity to read his main books. For good reason La police des familles (1978) and l'Invention du social (1986) both have had impact on contemporary Danish sociology. Today, Donzelot is involved in a major comparative research scheme titled "Ville, Violence et Dependence Sociale – L'inflexion neo-liberale des politiques urbaines, sociale et de securité" at PUCA – Le Plan Urbanisme Construction et Architecture – under the French Ministry of Research and Technology. His latest books Faire société: la politique de la ville aux États-Unis et en France, Seuil, 2003 (with Catherine Mével and Anne Wyvekens) and Quand la ville se défait: Quelle politique face à la crise des banlieues, Seuil, 2006 both offer insights into aims, perspectives and outcomes of the study.

The comparative research scheme includes seven European countries: Holland, Denmark, England, Germany, Italy, Belgium and France. This report deals with the case of Denmark. We have had the opportunity to present our thoughts at a seminar April 2006; besides we have got the possibility to participate in a session on the case of England June 2006. Both seminars were organized by PUCA. The more we have come into the task the more one realizes the level of its ambitions. Jesper Visti Hansen has been with us as important moderator and interpreter of Donzelot's work.

The report consists of four distinct essays that are meant to be read in chronological order:

1. Introduction
Anni Greve
2. Urban politics in Denmark
Hans Thor Andersen
3. City and security: The case of social welfare in Denmark with a focus on housing policy
Peter Abrahamson
4. Changing concepts for handling dangers in the city: The case of Copenhagen
Anni Greve

Urban competition and urban crisis:

Urban Politics in Denmark

Hans Thor Andersen, Københavns Universitet, Danmark

TABLE OF CONTENTS

Introduction

The aim of this essay is to discuss the drastic shift in social thinking and understanding of urban policy during the last few decades in Denmark. No doubt the world outside the country realised that an important change had taken place when a right-wing government took office in late 2001 and promulgated its objectives, namely more restrictions on and less tolerance towards refugees, immigrants and their descendants. This shift also reflected a major transformation in society from a more 'classic' situation of class struggle to a more volatile situation of many social cleavages and contrasts, where alliances and enemies both change quickly. However, the field of urban politics has certainly turned from being primarily being a welfare issue at the start of the 1980s to becoming a highly contested field for prioritising social resources in the 1990s.

In the meantime, during the 1980s and 1990s, urban planning and planners lost their innocence. From being neutral or objective scientists working for the best possible future on behalf of everyone, planners and their work turned into just another, although sophisticated, means of suppressing the interests of the common people. Planners, then, were nothing else than the henchmen of this system.

While Marxist and Marxist-inspired critiques disappeared during the 1980s, the privileged position that planners had held earlier has never been re-established. Ordinary people demonstrated ever growing doubts about so-called experts and their solutions to urgent social problems. Nonetheless planning and planners had to develop new roles as process-consultants, project managers and urban spin–doctors, while the technical issues were reduced to formalities. It can be argued first, that urban segregation and separation have replaced former social conflicts; secondly, that a major neo-liberal change is now visible in the traditional field of welfare provision; and thirdly, that social and political ideas have become dominant at the costs of the more technical perceptions of the urban. These postulates are on the one hand closely related to processes of globalization and on the other hand a consequence of them, representing actual forms of transmission from the global to the local levels. Understood in this way, none of these changes can be prevented without further political action in other arenas – the pressures of globalization will not disappear just because we wish them to do so. Of course, each locality – country, region, city – has a different combination of material and immaterial preconditions, which in turn produces different outcomes in the interaction with globalization.

To be able to understand the depth of the changes that took place from the late 1990s and onwards in Danish urban politics, it is necessary to outline the background to and the main trends in more recent history.

Urban politics and its present-day challenges will be presented here in two partly separated sections: first, the intra-urban issues of social change, marginalisation and exclusion, and related problems; and secondly, inter-urban or regional development. Finally, the essay ends with a discussion of current trends in urban policy: are we on our way to more market domination and less state control? The shift in urban policy during the last five years or so has been tremendous; the drastic cuts in general programmes aimed at improving living conditions in deprived neighbourhoods have been felt by many. Yet, the most dramatic change has been the shift in the symbolism associated with urban policy: an out-moded , welfarist approach to religious and cultural problems caused by a naïve immigrant policy based on human rights. Instead, workfare

and zero-tolerance have been introduced as a language that can be understood and can reshape the social order.

Urban policy is a quite broad topic, which cannot easily be defined. In this essay, urban policy is used more pragmatically. In general, it can be used in three different ways: as a policy directed towards steering and regulating cities and their internal conditions; as a sector policy targeted at specific urban phenomena, such as traffic policy, housing and planning policies; and as sector policies, such as financial or social policy with unintended urban effects. This essay will focus on the first, intended sort of urban policies, although others forms have had major impact on the shaping of urban conditions.

The Rise of the National Welfare State and Urban Politics

The end of World War II left most of Western Europe with major social problems. The political agenda was therefore dictated by the strong need to rebuild cities and infrastructure, and to close the gap in respect of decent housing, jobs and improvements to living conditions. The Fordist economy was now to be guided by growing governmental intervention, and the national space was developed to support the realization of the welfare state: Regional and urban politics became new policy fields, which emerged to implement the welfare state. Better housing, rational land use that could utilise existing and planned infrastructure and public institutions were all planned and constructed together through a regional policy mainly consisting of measures to improve employment and the economy. The success of the new policies was overwhelming, as hitherto underused resources and possibilities came into social use. Overall economic growth went up to unprecedented levels and quickly made an end to regional unemployment problems, producing more equal living conditions in all parts of the country, as well as improving the functionality of existing cities.

The Keynesian welfare policy managed to generate high overall economic growth, while the state guided development to include almost all parts of the population and constructed an urban policy to produce major improvements in living conditions as an important part of the welfare of the working class. Moreover, the indisputable social gains legitimised state intervention in the economy, while rising tax levels produced social harmony and security. During this period, which lasted to the 1970s, general policy instruments proved efficient in regulating and steering the development of both cities and regions.

However, the breakdown of the Fordist growth regime during the early 1970s undermined the Keynesian welfare state. Existing state regulation was criticised, as it lost its ability to guarantee employment, increase welfare and ensure social stability. The sharp rise in unemployment, the first signs of social exclusion and the appearance of deprived neighbourhoods during the second half of the 1970s, when contrasted with the accelerating number of state initiatives, merely managed to prove that the heady days of central state managerialism were over.

The crisis in leading industrial regions, such as the Rhine-Ruhr, the English Midlands, northern France and others, reduced the trust in Keynesian policies and questioned existing policy goals. Thatcher and Reagan were then able to produce and implement a new discourse of liberalism and the withdrawal of the state. This discourse implied placing private business before government and growth before welfare, without regard for the social or regional consequences. Just as urban politics was a key element in the implementation of the welfare

state, neoliberalism used urban policy to transform the balance between growth and welfare, and between the market and the state: restrictions to protect workers or the environment and to limit enterprise were abolished. Government initiatives to solve urban problems had to compete with private business. This change in policy from issues of general welfare to economic growth was characterised by David Harvey (1989) as a shift from 'managerialism to entrepreneurialism'.

The transformation of urban politics from the 1970s and 1980s to the most recent decade represents a major shift in the position and obligations of the national state: Together, the development of European cooperation, in particular the Single Market, the stronger impact of the agreements made in the WTO and the increasing permeability of borders challenge the previous obligations and existing forms of the state. To some, globalisation has clearly pointed out the incapacity of the national state to regulate and control social change: the national state has become too small to regulate the economy, while on the other hand being too large to be able to cope with local issues. In short, the nation state cannot use its territorial structures as a sufficient scaffold for social development. Internationalisation and the development of the European Union are therefore steps towards the abolition of the nation state in Western Europe.

An alternative argument has been produced by, first of all, Neil Brenner, who argues that what we are witnessing is not the disappearance of the nation state, but its transformation from one form of state into another (Brenner 1999, 2004; Brenner and Theodore 2002). The nation state in many European countries is in a process of transformation. On the one hand, this implies regionalization to create a new scaling of economic, social and political organisation and processes, which can perform effectively, yet also remain sensitive to local potentials and interests. On the other hand, state functions are currently being scaled up to the global level via, for example, the UN or WTO, or else to a European level, in an attempt to increase the state's capacity to regulate economic conditions in order to confront the power of transnational corporations. By keeping some influence on decisions made within the EU, the nation state may still be able to influence its own frameworks of development. The following section should be read within this framework.

Year	Government regulation of urban development in Denmark
1938	First urban planning act
1939	First act on slum clearance
1959	Second act on slum clearance
1963	A proposal for a new planning act is dismissed in a referendum
1969-75	The Planning Reform is introduced
1983	Act on urban renewal
1993	Urban Commission
1997	*Kvarterløft* (neighbourhood improvement scheme)
2001	The new liberal-conservative coalition government abolishes urban policy
2004	Act on experiment with selling non-profit housing
2004	Act on urban renewal
2004	The ghetto strategy
2005	'A New Chance for All', a plan for the most deprived neighbourhoods

The liberal economic regime, which succeeded the absolutist monarchy in 1848, brutally replaced old relations and structures with the market. Adam Smith's famous work, *The Wealth of Nations,* was translated into Danish a few years after it was published. The liberals saw themselves as enlightened and cultivated citizens, who should civilize their country: Individuals were considered to be free to act according to their personal interests and wishes alone, as long as they did not violate others' interests –the only situation in which the state was allowed to intervene in society. Just as Denmark had a highly absolutist monarchy before the constitution, the liberal bourgeoisie managed to create a truly liberal economic regime after 1848. Any deviation from this would be exceptional until the early twentieth century, when World War I forced public authorities to deal with rapidly increasing rents in a situation of wage stability, housing shortages and shortages of a growing number of foodstuffs. For the first time, the prices of commodities and rents were controlled by a state office, just as several larger cities began to construct housing for ordinary people. In Copenhagen, housing shortages became so marked that prisons were used to house homeless families. In the following years, the city constructed more than 20,000 dwellings to reduce the acute need for housing.

In the interwar period, society returned to normalcy, that is, the non-regulation of the economy and society. One major shift took place with the growth of the Social Democratic Party, which, by the late 1920s, had become the dominant political party. The Social Democrats managed to create a cross-party compromise concerning basic social rights (the social reform of 1933), a government-supported, non-profit housing sector and a few years later also an urban planning act and an act for dealing with the slums that had grown up from the heyday of liberalism. While the share of national resources spent on welfare issues were kept low, the discourse changed completely: it became more and more a governmental responsibility to ensure social welfare and decent dwellings and urban environments for all Denmark's citizens. This discourse was further strengthened by the 1947 programme, *Fremtidens Danmark* ('The

Future of Denmark'), the most influential political manifesto of the twentieth century in Denmark. Although it took time to implement, due to economic structural problems which lasted into the late 1950s, the breakthrough, which created the Social Democratic vision of the welfare state, came in the 1960s.

The circumstances of World War II generated similar regulations as in 1914-18, but this time the regulations on rents were permanent and renters' situations were improved by the introduction of new and clear rights. As a result, the construction of private rented dwellings ceased. Instead, rented dwellings were in practise constructed only by non-profit housing associations, which increased their average share of the housing market from zero to twenty percent during the 1980s. In particular, suburban municipalities around Copenhagen show huge variation; some have almost no non-profit housing, others up to two thirds of all dwellings in this sector. The primary reason for the difference lay in the circumstances of political control in each municipality: Social Democrats promoted non-profit housing, conservatives house ownership.

After the war, a huge lack of housing forced governments to work for a more efficient construction sector. However, only in the 1960s did the industry become capable of industrializing house construction. Concrete sections prefabricated at factories were put in place by building cranes, producing a lot of low-price dwellings in a short period, though they proved to have a number of built-in problems.

The 1960s was a period of unseen economic expansion and a remarkable rise in wealth; in a few years the country became one of the most affluent in the world. One reason for this was the expansion of manufacturing industry, the growth in public services and the entry of women into the labour market. One consequence of it was increased consumption, including of housing and other land in urban areas: while the planning system was still geared to the slow-growth situation of the 1930s, the social reality was one of the rapid growth of cities and urban areas. The planning system did not manage to regulate this properly, and suburban Copenhagen developed according to the individual wishes and ideas of each municipality. An attempt to raise the overall interest of society via a new planning scheme was turned down by a referendum in 1963; ironically, the liberal-conservatives, who killed off the act, proposed and carried through the same legislation less than five years later in the major planning reform of 1969-75. In this period,although the term was not in use, urban politics dealt with steering urban expansion and clearing slum areas.

Regulation of Urban Areas

The following decades (1980-2000) moved the perspective from the quantitative expansion of urban space to producing qualitative changes in existing urban environments. Unfortunately, the planning reform was not geared to this shift and thus had to be adjusted in the early 1990s. A new urban problem appeared during the 1980s, namely the concentration of socially marginalised groups in certain non-profit estates. To begin with, the main cause was a rather unusual movement of families with resources from these estates to other parts of the housing market, often into ownership housing. The coincidence of a significant rise in unemployment during the 1970s (the period of the 'oil shock') and the completion of several large-scale non-profit estates turned out to be an incubator of a number of new urban social problems. The more resource-rich families left, as the concrete construction had produced a

number of technical problems which those renting would ultimately have to pay for. The rising rents, out-migration of families in employment and in-migration of the divorced, the unemployed, alcohol-abusers etc. created an vicious circle: as more marginalised people arrived, the noise, vandalism and other difficulties became more marked, and consequently more of the better-off families moved away.

The government reacted to these trends by offering a scheme to cope with the construction problems and to refurbish some of the estates. As a main criticism was the monotonous and boring look of the estates and the rising costs of energy, many estates were given new colourful facades and better insulation. Overall, attempts were made to introduce aesthetic improvements in order to put the deprived estates back on the tracks. Among the means used was the landscaping of the green spaces between the apartment blocks.

Within the largest cities, above all Copenhagen, slum clearance had rather little impact on housing standards. A large number of dwellings were still without their own bathrooms and had no central heating and therefore no hot, piped water. A new Urban Renewal Act was passed by Parliament in 1983 in order to increase the speed of refurbishment. The act also gave the renters more rights than before in order to avoid violent protests such as the 'Battle of Nørrebro' (an inner-city district) a year earlier, which had convinced politicians that negotiations and flexibility were the way forward.

In 1982, a change of government effectively ended any further initiatives of urban renewal. While some suburban mayors argued for a central government initiative in some of the most deprived estates, nothing happened until there was a new change in government. In 1993, in less than three months, the Social Democratic government put an urban commission to work to produce a new policy. In the meantime, the problem of the deprived estates had changed, with more Third World immigrants living there, together with the most marginalized Danes.

A Ministry for Urban Politics and its Abolition

Efforts were quickly made to demonstrate political will and efficiency in relation to urban residents and the political system. The high proportion of non-profit housing in the suburbs west of Copenhagen underscored the importance of acting. Moreover, these suburbs were for long dominated by Social Democrats. While the 1993 Urban Commission produced a longer list of possible actions over the summer, the government and local municipalities granted the resources needed. During the following years, a large number of projects were planned and put into operation (Kristensen 2001). Yet, the means adopted seemed to have lost their efficiency, for it soon became clear to the Commission that aesthetic changes alone would have little impact on the situation on these estates. A more holistic approach, combining physical improvements with social interventions in areas such as employment and setting up local networks and activities was therefore formulated. This experiment, labelled *kvarterløft'*, was an area-based approach (Andersen 2001), its basic philosophy being to combine efforts in a number of fields in the hope of producing lasting changes. In this philosophy, building improvements were less important as issues than the central ones of social well-being, empowerment and participation.

Five areas across the country were selected after a process initiated by the central government, dominated by municipalities and then implemented at the

local level. Primarily this was a bottom-up process based on the mobilisation of local residents (cf. Andersen and van Kempen 2003). At the same time, a new Ministry of Urban and Housing Affairs was set up to develop a new urban policy consisting of five key elements:

- to support improvements in welfare and the quality of life
- to prevent vicious circles
- to promote sustainable growth in urban areas, socially, economically and environmentally
- to support integrated social development to counteract segregation and work for partnerships between various urban actors
- to work for better urban living conditions across different sectors

It is noteworthy that the Ministry never really took employment and industry on board; the main impression is a rather welfarist one. The *kvarterløft*-strategy was also a quite expensive experiment, whose results have been tested but which, despite the fine evaluations, leaves an impression of insufficiency. No doubt some areas have been improved – there are, for instance, better outdoor facilities, often including a local cultural club, and buildings have been refurbished. Nevertheless, the situation of the marginalised has only been slightly improved, if at all! While the experiment had major support from experts in the field, it attracted growing criticism once the benefits were compared with the costs. Just before the 2001 election, which gave the liberal-conservative parties governmental responsibility, a new round of *kvarterløft* projects were started.

In 2001 the change of government put an end to the existing urban policy. The Ministry itself was abolished, the bulk of its activities being transferred to the new Ministry of Integration: in the new optic, social marginalisation was seen as primarily an ethnic issue. A number of changes were made to the existing legislation and new acts passed, most aimed at reducing immigration, at forcing everyone looking for social benefits to become active and so on. After a few years the government launched several initiatives, starting with an act on urban renewal that at the same time was intended to reduce costs, bring private business into the process and had the effect of rolling back the rights of residents introduced during the 1980s and 1990s. Secondly, the government argued for selling off parts of the non-profit housing stock; the experience of Copenhagen (see below) showed remarkable improvements in overall social conditions after public housing had been turned over to private hands. The revenues from such sales could then be turned to new constructions or improvements. The government further argued that selling dwellings in the least attractive parts of the sector could raise the living standards and social mix of problematic estates. After a lot of debate, legislation for a five-year test period passed the parliament. Thirdly, in 2004 an initiative was launched to ameliorate the concentration of Third World immigrants on particular estates, the so-called 'Ghetto Strategy', the aim being to stop the continuous concentration of the poor and marginalized, who were most often immigrants, on certain non-profit estates. The means would be a) a new model for allocating dwellings in order to avoid the predominance of socially marginalised groups; b) the setting up of a board for the implementation of the ghetto strategy, consisting of three members from local government, one from industry and two from the non-profit housing sector, their task being to implement and develop new means to solve the overall objectives; and c) specific instruments to cope with problems relating to integration in the most deprived neighbourhoods. Finally, a change in government itself gave rise to a

new initiative published in mid-May 2005, called *A New Chance for All: The Government's Plan for Integration.*

The New Plan for Integration was based on calculations of demographic changes over the nexttwenty to fifty years, which will lead to a decrease in the number of economically active citizens and an increase in the elderly. As a consequence, the demographic burden will rise simultaneously with a clear shortage of labour. In this situation, the low labour-participation rate among Third World immigrants is an obvious field for government intervention, one that can help resolve these other structural problems. To do so, the government wants to give more immigrants and their descendants an education of relevance to the labour market, to lower school drop outs, to improve the linguistic skills of non-Danish pupils, to increase the incentive to work (i.e. lowering social aid to bring the unemployed into the labour market), to force local governments to hire more immigrants, to strengthen the efforts to avoiding the ghettoization of certain estates and to fight crime and extremism. The strategy was constructed using both carrots and sticks, though the main impression is a toughing of attitudes towards immigrants and their descendants.

Urban Politics on the Regional Scale

Just after 1945, Danish regional policy emerged as a result of the strong contrast between the capital region and remoter regions of the country. While Copenhagen had an expanding manufacturing industry and service sector, large parts of the country suffered from employment decline in the dominant industries of agriculture and fishing. This theme was approached through the substantially high and stable levels of unemployment in the provinces. In the late 1950s, a Social Democratic government carried through an act on regional policy aimed at raising private investments in manufacturing industry in hitherto agricultural counties (Bogason and Jensen 1991).

The municipal reform of 1970 included new instruments for equalizing public services across the country; the average size of municipalities was increased, and more competences were decentralised. Together with the rapid expansion of the public sector, the reform spread jobs efficiently to all parts of the country. Moreover, to bring the public service up to the same level, a scheme for income and cost equalization was introduced. The result was a most efficient means of ensuring that the service offered at any location in the country had the same high standards. The fundamental understanding was that a policy of equalizing opportunities across the country was an integrated, geographical counterpart to the broadly accepted modern welfare state.

This dominant discourse, which may be called 'the imbalanced Denmark', became the fulcrum of regional and urban policy to the mid-1980s. In brief, it was claimed that there was a rising regional imbalance in disfavour of the provinces, which by then had to be counteracted through the public purse. This led to restrictions on urban development in Copenhagen, a massive investment in infrastructure and a transfer of public institutions to the provinces. This policy was expressed in the annual National Planning Report, which outlines national planning strategy. As an example, the 1978 report declared that, 'The relative population growth in the provinces compared to the capital region shall be supported. (...) To provide equal access to the labour market and services at an acceptable distance, regional planning must support the promotion of existing regional centres.' (*Landsplanredegørelse* 1978). The doctrine was repeated later, in 1984, the report for that year stating that 'The overall goal is to

strengthen the rural and peripheral regions by stimulating employment and local economic development'. As a result, central government investments in infrastructure mainly took place outside the Copenhagen region. Throughout the 1970s and 1980s, the great majority of central government investments was taking place in the provinces. One of the more visible examples of this was the expansion of highways in areas with relatively low densities of population.

One important effect of this 'imbalanced Denmark' discourse, together with the welfarist understanding of public policies, was the emergence of a defensive and reactive urban policy in the capital. Since municipal initiatives were only addressed to local areas, there was no coherent idea of the region and its future. Most political struggle took place around the distribution of gains and loses. There were hardly any attempts to take initiatives that went beyond the short term and the local territory. One weak regional body, the Greater Copenhagen Council, failed to produce any vision or policy containing any narrow priorities on behalf of the fifty municipal members, despite being controlled by the indirectly elected mayors of the member municipalities.

However, initially with the appearance of territorial competition (big city competition), a new growth-oriented discourse managed to replace the welfarist discourse. Globalisation, the expectations of the EU Single Market and the rise of the knowledge-based economy all helped to produce a new discourse, which saw a proactive line of urban policy, competitiveness and economic growth as the preconditions for future welfare. Equality as the basic line in policy was given a lower priority in favour of flexibility and the exploitation of local and regional potentials. Each region was considered to have unequal opportunities, but the outcome was more dependent on the ability to use these potentials than their composition and size. While central government saw private business as a new central actor, the practice was somewhat different: the Danish version of entrepreneurialism contains a clear space for the welfare state, and instead of interpreting PPP as public-private partnerships, public-public or state-municipal partnerships would be more accurate.

On 20 March 1990, this new understanding was officially born during a parliamentary debate, when the government declared the capital region to be a national asset: Copenhagen was the centre of and gateway to the nation, as well as the location of the bulk of the country's private, knowledge-intensive businesses. Moreover, the city serves as a node of communication, creativity and culture first of all for the country, but also to an increasing degree for southern parts of Sweden and to a lesser degree the Baltic meso-region.

The outcome of the debate in Parliament was a commitment to improving infrastructure and cultural institutions and supporting an intensified urban improvement of central Copenhagen. However, Parliament also stressed that this should not take place at the cost of other regions and that the capital as well as the regions should contribute to this new policy.

Copenhagen: An Example

Copenhagen is the only large city in Denmark, and many of the urban social and economic problems and challenges are first recognised when they become visible in the city. As a consequence, although many government initiatives are triggered by conditions in the metropolitan region, they are also valid in all other locations. This may produce difficulties when they are implemented. While there was a massive need for urban renewal and slum clearance

Copenhagen, the legislation and different schemes for financing being based on this fact, the legislation appeared less suited to coping with problems on the much smaller scale of most provincial towns.

Since the city of Copenhagen had already been built up entirely by the end of World War II, post-war urban expansion took place outside the city. As this development included a huge outflow of middle-class families during the 1950s, 1960s and 1970s, the city was left with a large group of elderly couples or people living alone, many with low incomes, only school education and a strong need for social benefits. The net outflow was about forty percent of the population. Furthermore, when the city began to face serious de-industrialization from the mid-1960s, it lost almost its entire manufacturing industry, soon turning into an area with high, rising unemployment, low incomes and a quite difficult financial situation.

The national politics of decentralisation and equalisation transferred a few institutions and a lot of grants from metropolitan Copenhagen to the provinces (see below). In the end this process forced the city to reorganise itself and develop a new strategy for its future. However, before this was recognised in the town hall, the city of Copenhagen went bankrupt and survived only via central government loans and assistance.

The economic collapse of the city of Copenhagen in the early 1990s forced a drastic revision of priorities to the city's political agenda. Throughout the 1970s and 1980s, the dominant aim of housing policy was to improve overall standards and provide more family dwellings. The existing stock consisted of a large number of one- or two-room flats, many of which had been constructed before World War I. Thus, the city needed housing of modern standards and size, which could only be achieved by new building whenever the opportunity arose and rebuilding the existing stock of dwellings. The first part of the policy included the transformation of abandoned industrial land to housing, the second part urban renewal. However, the regulation of the housing market, coupled with the relatively high costs of constructing new housing, discouraged private investors from producing new dwellings. Only non-profit housing associations were willing to build.

As a result of the slum clearance campaign of the 1970s and 1980s, a large number of new dwellings were produced and constructed on former industrial land in the inner city (700 to 1000 dwellings a year). Despite expectations, the new flats did not attract the desired category of middle-class citizens, but mostly marginalised groups and pensioners who would have their rents paid or supported by public assistance. A final calculation showed that the city would achieve only a negative financial return for each dwelling. Moreover, the rising numbers of Third World immigrants were producing new and costly problems in these neighbourhoods, in the schools and in terms of social benefits. Consequently, the city decided to cease construction of non-profit housing.

The economic collapse generated a change in local planning and housing policy itself, as well as a demand from the central government that the city reduce its debts. One way to do so was to sell city-owned properties, including the municipal housing stock. They were all sold in a short time and turned into shared ownership. The result in terms of residential composition was a shift from marginal groups to students, the employed and middle-income groups. The only negative effect was the fact that, after the sale, the city had very few options open to it to help homeless people with accommodation. The city itself reduced its general level of services, increased the efficiency of its activities and

changed its leading policy goals in favour of a more entrepreneurial approach. An internal assessment of future conditions revealed that only by changing the overall composition of the population would the city win back some room for manoeuvre in the political sense. If it failed, the city would be reduced merely to managing decisions taken by the national government. There were two ways to rectify this situation: an intensified urban renewal policy, and a shift in the existing housing policy, both with the hope of increasing the supply of modern dwellings for the middle classes. The housing policy was called 'Housing for All' and had as its main target the promotion of an economically sustainable population. To reach this goal, the city implemented a new concept of urban density housing in the former harbour area; old factories were converted into fashionable housing for the affluent. Former working-class areas along the inner harbour were turned into upper-middle-class domiciles. The run-down working-class districts of Nørrebro and Vesterbro were also given a new lease of life during the 1990s, begun and apparently initiated by public renewal efforts, followed by mass conversions of rented dwellings into ownership. From being one of the poorest districts in the metropolitan region, filled with drug-abusers and people on social benefits living in the lowest slums, Vesterbro became the most attractive neighbourhood ten years later. Today the district has the highest prices per square metre.

Although the process has not come to an end, it seems that ongoing neighbourhood improvements are repeating this pattern in a number of adjacent areas. More and more of the central city is becoming upgraded if not gentrified, which raises general income levels, brings in a lot of additional, private investment and at the same time lowers the need for public assistance. The only problem is the low-income groups, the marginalized who are being pushed out to the concrete estates of suburbia.

Copenhagen, which witnessed a steady decline during the 1970s and 1980s, now seems to have regained its former leading position in the country. Part of this stems from the change of mayor in 1986; the new mayor transformed the style of local politics and began to adjust to the new conditions (Harding, 1997). Overall the massive investments in infrastructure and cultural institutions, the expansion of research and education, the new metro system, the new railway and highway connections to the airport and subsequently to Sweden over the new Øresund bridge improved the general situation significantly. The city has now developed a strategy of pursuing its planning and housing policy in relation to external conditions, especially globalization and the EU Single Market. Today, the new housing projects, institutions and business developments are aimed at offering splendid opportunities for transnational companies, business people and tourists rather than mainly the local population. It is a policy that reads the future as being determined by adaptation to globalized and knowledge-intensive businesses (Hansen, Andersen and Clark 2001).

Beyond the Class Struggle?

In the aftermath of globalisation, which first emerged in the 1970s and triggered a strong and lasting shift in dominant political attitudes in most western countries, the social order built on the Keynesian policy of welfare was challenged, as were the dominant political forces of the time. Since the rise of the industrial society at the end of the nineteenth century, labour movements and their political parties (in Scandinavia and Germany the Social Democratic Party) had won an absolutely dominant position: The basic ideas of removing traditional privileges and providing ordinary people, regardless of background,

with the same opportunities and life chances through the steady expansion of the welfare state became the dominant political perception. In the sense that right-wing parties also accepted the idea of the welfare state and even expanded it when in power, the Social Democratic welfare state achieved a hegemonic position.

However, during a series of economic backlashes from 1973, the ceasefire in the labour market ended with series of strikes and lock-outs in the struggle between labour unions and employers' organizations. While unemployment rose and the purchasing power of employees often declined and sometimes stagnated entirely, the struggle did not become a bitter fight, with the unions the definite losers. Greatly in contrast to, for example, the UK, where several old and strong unions were wiped out as important social forces, in Denmark the unions survived and accepted a renegotiation of the distribution of surplus value. There are two probable reasons for this outcome. First, the Social Democratic Party remained in power and needed order in the labour market while it strove to solve major economic problems. Secondly, conflicts in the labour market were reduced by drawing on a long tradition of compromise and tacitly agreeing that the class struggle should be transferred from the labour market (the struggle for higher wages and better working conditions) to various sorts of welfare provisions, such as better housing, free medical care, free education and a variety of pensions for the elderly, the disabled and so on.

As a result, the class struggle was displaced to other arenas, and many political battles of the 1980s took place between public and private-company employees, different forms of tenure – property owners have long been privileged, a cleavage that is now one of the main social tensions – and finally, a number of issues relating to the cities and the built environment appeared to be much more controversial than expected. This included the clearing of existing slum areas in favour of new social housing, as well as the reconstruction of existing cities from accommodating manufacturing industry to providing location for service industries. However, the very same interventions in the housing market and existing urban areas, which were seen as a way to improve the living conditions of the working classes and revitalise the economy, triggered a series of intense discussions, and on several occasions also serious street fighting, housing occupations and political conflicts.

The battle was in no way between workers and their unions on one side and employers and their organisations on the other side, but between the established society, the official authorities and young people who had not yet found an acceptable position in society. In Copenhagen in particular, the Social Democrats and unions joined forces in promoting the restructuring of the city and thus symbolised the reactionary establishment. This struggle went on for fifteen years, until in the end the Social Democratic Party lost its traditional dominance.

By the end of the 1980s, a new conflict had emerged at several levels of government and between different groups of the population. A growing number of refugees and family unifications of immigrants raised the non-Danish population substantially (from about 4% of the population in 1980 to 9% in 1990 and 14% today) in Greater Copenhagen. However, the non-Danish population is unevenly distributed at the local level, a result of political fragmentation and independent local governments. From the beginning, decentralization of the public sector transferred the right to plan and develop urban areas to the local level. As a consequence, some municipalities around Copenhagen dominated by the upper and upper middle classes only built

expensive detached housing. Other, working class-dominated areas tried to serve the demands for better housing for the growing population during the period of post-war suburbanization, producing in the process a dominant share of social housing. This in turn created two strongly separated and segregated extremes in the city, with major social differences in terms of income, educational levels, health and employment. When non-Danish citizens looked for accommodation, they often found ownership too expensive and the private rental sector closed by discrimination; thus the only available housing market for them was the social housing sector. As a consequence, the least privileged parts of the city have the largest concentrations of non-Danish citizens. Since the early 1990s, the issues of integration and immigration have become 'high politics' and assumed a dominant position, probably being the main reason why a right-wing government was able to take office in 2001. The Social Democrats did set up a new ministry to cope with urban social problems – for the first time, urban policy became an important concept. A long list of initiatives was taken, but before they could produce any results, the government lost power.

Closely linked to the abolition of urban policy (the ministry was abolished by the right-wing government) was a strong trust in market solutions and decentralised political solutions. The polarisation of the housing market has been increased during the last two decades: while the non-profit sector originally provided housing for ordinary people –lower-middle-class and working-class families – it has slowly been invaded by welfarist entrepreneurs, who have used the sector as a remedy for social welfare policies. However, combined with the strong growth of wealth since the 1950s, this has produced a major division in society between those who can accumulate a huge fortune due to the 'general social development', and those who must rent and who leave their homes as poor as when they moved in. When the spatial distribution of different forms of tenure is as uneven as is the case in many Danish cities (functionalist planning has created middle-class neighbourhoods of detached ownership that are clearly separated from multi-storey, working-class rental housing), then social inequalities and conflicts also take on a spatial dimension. In daily praxis, we may speak about parallel societies which only share the shopping malls, and sometimes not even that.

Towards Neo-liberal Policies?

While on the surface, and when assessed in terms of share of GDP, annual spending or number of public employees, the policies seem to be continuous and without major breaks, the differences are to be found in the various sectors: Labour market policy, which until the 1980s treated unemployment as a mismatch between supply and demand and where macro-economic policy should ensure full employment, has now shifted to a neo-liberal style: unemployment is result of either high wages, high taxes or the inadequate qualifications of workers. The government is not compelled to change its policy of low interest rates in order to raise general levels of economic activity in society. Conversely, for political reasons it is impossible to remove welfare security by abolishing the unemployment system, though it is possible to reduce access to and length of assistance and to demand active attempts by the unemployed to find jobs and/or training to raise their qualifications and thus meet the demands of the labour market.

Another field where major changes can be seen is in urban policy.Until the 1990s, urban politics was about the public interest and the use of public resources to improve living conditions and in particular the general welfare of the poorest citizens. The continuous pressure from internationalization,

globalization and Europeanization, which disguises neo-liberal logic, has replaced the welfare discourse with a more mixed policy of both welfare and entrepreneurial strategies - a typical Danish compromise (cf. Fotel and Andersen 2003). The decentralization of the responsibility for welfare provision to local government has been followed by a decentralization also of local economic policy, as well as the responsibility for labour market training and activation. Instead of urban renewal, we now have urban revitalisation, the most attractive spaces being used to house office complexes, shopping malls or high-earning citizens (Hansen, Andersen and Clark 2001; Desfor and Jørgensen 2004). The overall argument stresses competitiveness, a concept that almost all other kinds of local politics have to adjust to. The argument is not how to improve living conditions, but how to improve competitiveness. Among the results of this are the housing policy focus on developing former harbour areas into luxury apartment blocks, the cultural policy stress on mega events that can attract customers, the educational policy of how to provide a highly qualified labour force and the social policy of motivating the poorest to look after themselves and accept the worst jobs available.

Danish Urban Politics: Back to Market Dominance?

The first real attempt to influence and regulate urban conditions emerged in the 1930s, before which time urban and housing affairs were not considered to be an issue for the government. The dominant discourse was formed by the triumphant Social Democratic Party, which succeeded in formulating an alternative to the dominance of the market. Some of the key words were social justice, welfare for all, and equal chances regardless of social and family backgrounds.

The Social Democratic welfare state began to develop from the early 1930s and expanded throughout the rest of the twentieth century. It stands out as a clear success, as it managed to combine growing wealth, social justice and individual freedom. It also contained a strong trust in scientific methods – experts who knew their disciplines were preferred to organise things and create regulations and institutions. While this point of view may have had strong support during the 1930s and the following decades, it clearly faded away in the 1970s: Authorities had to fight for their privileged positions; expert views were dismissed as not being neutral or accurate. Among planners, urban designers and politicians, the dominant understanding in the 1950s until the end of the 1970s were technical-rational, implying that all questions could be answered with one and only one reply: highly professional experts would provide one true answer. Imbedded in a successful industrial economy, the solutions were often marked by the same kind of thinking. Large, uniform units would reduce costs and raise efficiency. These decades were the period of large scale plans – and failures. During these years, a discourse of trust in technical-rational solutions was formed and went unchallenged. However, the general crisis of the 1970s triggered an intense debate over how to plan. Strongly associated with the welfare discussion, a new discourse emerged which claimed equal access to services and equal opportunities in all parts of the country. Moreover, the old modernist idea of producing standard solutions to all problems and equal services to all people was questioned: individuals would no longer accept being treated as one uniform mass with identical needs, but claimed a more consumer-oriented service system which recognises individual differences. Democracy in planning and public services, a system able and willing to follow users and citizens, became a daily challenge for politicians.

Urban politics was forced to cope with new issues, such as access to private and public services, the creation of a social balance in neighbourhoods, job opportunities and environmental issues. Beside these new demands, the substance of regulation changed from being spatial and quantitative to a more complicated mix of qualitative aspects. Furthermore, planning themes ceased to be universal and general and became more specified and targeted. Resources had to be spared for the relevant issues to maintain efficiency.

The political pressure to react to unintended developments raised impatience regarding urban problems: things had to happen quickly, not over generations. Besides this, the existing planning system, which influenced urban areas through decisions on land use, did not guarantee a specific future, but only prevented unwanted developments: urban planning could say what was unacceptable, but not what should be. This has partly changed through a shift in urban policy from the reactive and negative to a more proactive, positive planning approach formulating and implementing the development decided on. However, such policies are rather expensive and in practice they can only be implemented through close cooperation with relevant actors and partners. While on the one hand this involves looking for private partners, on the other hand it reduces the democratic influence introduced by the planning reform of the 1970s. Partnerships represent a turn towards a more market-influenced planning scheme than hitherto; they have not yet been able to demonstrate that they have a social content in the sense of including a more holistic approach to urban development. Danish partnerships are in the making, but the first round shows that they rarely involve non-commercial considerations.

An important issue during the 1990s and afterwards has been the transformation of the housing market; the overall change is one of growing social dissimilarity: Ownership housing is becoming the normal form of housing for the Danish population, while renting is left to marginal groups. This process is sometimes labelled 'residualization' or 'tenure polarisation' (Hamnett 1984). The outcome in the UK as well as in Denmark has been one of increased difference between the socio-economic and ethnic statuses of owners and renters respectively, leading to increasing segregation within cities.

A third way to understand these changes in urban policy is it forms part of attempts to increase the capacity to govern. While the authoritarian state of the 1960s could plan and solve particular problems without much discussion, the present situation is one of constant negotiation without the necessary resources. The attempt to include non-governmental partners and resources clearly raises the scope and capacity of policy, but it also opens up a wide path for non-governmental influence over decision-making. This movement from government to governance can be understood as an attempt to raise or maintain efficiency with regard of policy and regulation, while keeping resources unchanged. It may also be regarded as a part of a strategy in which governmental influence expands into private businesses, organisations and other non-governmental spheres in order to maintain a dominant control over social development (cf. Goodwin and Macleod 1999). Welfare issues are in the process of being rescaled to either the EU for their formulation or to local governments to be rolled out.

If the change of government has been visible in any policy field, it must be urban politics, with its strong trust in reducing central government influence, the stronger impact of the market in solving problems of urban renewal, and the clear reduction of the approach to socially deprived neighbourhoods to being a problem of ethnic minorities. Urban policy is still mainly based on a

welfare approach, but at the same time it has shifted towards one of 'fire-fighting' – that is, visible and acute problems in certain localities are dealt with, but the underlying causes remain untouched. Among these is the existing housing market, which is producing growing social differences and segregation.

A final comment is to point out that the present liberal-conservative government has ceased urban policy initiatives in general and is aggravating a steadily increasing number of unsolved problems. Its strong emphasis on labour market policy has so far had only a quite minimal influence on urban conditions.

References

Andersen, H. T. (2001): The New Urban Politics of Europe: The Area-based Approach to Regeneration Policy. pp 233 – 253 in Andersen, H. T. and van Kempen, R. (eds): *Governing European Cities: Social Fragmentation, Social Exclusion and Urban Governance*. Aldershot: Ashgate.

Andersen, H. T. and Jørgensen, J. (1995): City Profile: Copenhagen. *Cities*, vol. 12,1: 13–22.

Andersen, H. T. and van Kempen, R (2003): New Trends in Urban Policies in Europe: Evidence from the Netherlands and Denmark. *Cities*, vol. 20 (2): 77 - 86.

Bogason, P. and Jensen, L. (1991): Statens ansvar for regional udvikling i Danmark. Pp. 51-81 in *Nordrefo: Statens ansvar*. Copenhagen: Academic Press. Brenner, N. (1999): Globalisation as Reterritorialisation: The Rescaling of Urban Governance in the European Union. *Urban Studies*, vol. 36: 431-451.

Brenner, N. and Theodore, N. (2002): Cities and Geographies of 'Actually Existing Neoliberalism'. Pp. 2–32 in Brenner, N. and Theodore, N. (eds): *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*. Blackwell, Oxford.

Brenner, N. (2004): *New State Spaces: Urban Governance and the Rescaling of Statehood*. Oxford University Press, Oxford.

Desfor, G. and Jørgensen, J. (2004): Flexible Urban Governance: The Case of Copenhagen's Recent Waterfront Development. *European Planning Studies*, vol, 12, 4: 479–496.

Fotel, T. N. and Andersen, J. (2003): Social mobilisering og forhandlingsplanlægning – kvarterløfterfaringer fra Kgs. Enghave. Pp. 69–94 in Sehested, K. (ed.): *Bypolitik mellem hierarki og netværk*. Copenhagen: Akademisk forlag.

Goodwin, M. and Macleod, G (1999): Space, Scale and State Strategy: Rethinking Urban and Regional Governance. *Progress in Human Geography*, vol. 23,4: 503–527.

Hamnett, C. (1984): Housing the Two Nations: Social-tenurial Polarisation in England and Wales, 1981-91. *Urban Studies*, vol. 43: 389–405.

Hansen, A. L, Andersen, H. T and Clark, E. (2001): Creative Copenhagen: Globalization, Urban Governance and Social Change. *European Planning Studies*, vol. 9,7: 851-869.

Harding, A. (1997): Urban Regions in a Europe of the Cities. *European Urban and Regional Studies*, vol. 4,4: 291–314.

Harvey, D. (1989): From Managerialism to Entrepreneurialism: The Transformation of Urban Governance in Late Capitalism. *Geografiska Annaler* B, 70: 3–17.

Kristensen, H. (2001): Urban Policies and Programmes against Social Exclusion and Fragmentation: Danish Experiences. pp 255 - 271 in Andersen, H. T. and van Kempen, R. (eds): *Governing European Cities: Social Fragmentation, Social Exclusion and Urban Governance*. Ashgate, Aldershot.

Miljøministeriet: *Landsplanredegørelse* 1978. Copenhagen.