Towards a new theory (and practice) of neighbourhood renewal

By Damian Tissier, 2008*

The simplest questions are often the trickiest. There I was, basking in the glow of a presentation well-delivered, the subject matter of which was neighbourhood renewal, when I was bowled by the rhetorical equivalent of a googly. It went something like this:

> *"I'd like to thank the speaker for an interesting exposition of the principles of neighbourhood regeneration. Based on his experience, can he provide any examples of any regeneration schemes that have actually transformed the life opportunities for the people who originally lived in the area?"*

Forced to think quickly on my feet, I duly trotted out some names of successful neighbourhood regeneration schemes. But I was not really comfortable with my answer. If the truth be told I did not really know of any neighbourhood where the appropriate baseline indicators – measures like average household incomes, local skills levels, employment rates, etc – had demonstrably and unequivocally improved amongst the host population, and not merely risen as a consequence of changing the social mix through increasing say the proportion of home-ownership in the area. Diluting deprivation may achieve government targets, but does it really do anything for the life chances, or what used to be called the social mobility, of the residents of a disadvantaged neighbourhood?

The academic literature on the subject lends little comfort to those who believe that real progress has been made on any of these issues. A warning was sounded by Professor Peter Gripaios, in the influential paper published six years ago in *The Journal of Regional Studies*, when he argued that years of public intervention regeneration policy in Britain had failed to make any impact upon deprivation and disadvantage. His paper was one of a line of reports that had cast serious doubts about the impact of regeneration policy (pace Anne Power, Geoff Fordham, Ruth Luton et al). Indeed, the National Strategy for Neighbourhood Renewal, launched by the Government at the beginning of 2001, can be considered to be an official acknowledgement that previous regeneration schemes had been unable to tackle the problems in our country's poorest neighbourhoods.

The Neighbourhood Renewal Strategy claimed to mark a new departure from past policy failures. But it, in turn, has largely failed to deliver on its aim of 'closing the gap between the most deprived neighbourhoods and the rest of the country'. Thus, Paul Lawless, in charge of the New Deal for Communities (NDC) Programme evaluation, has written that its (the NDC Programme's) impacts have been 'relatively modest' and 'not out of line with what is happening nationally'. The national evaluation of another flagship programme, Sure Start, has found little or no evidence that its targets had been met; and one of its main architects, Norman Glass (a former deputy director of the Treasury and now Chief Executive of the National Centre for Social Research), admitted that it cannot really be said to have worked. Recent research carried out by Social Disadvantage Research Centre of Oxford University, and published by the Joseph Rowntree Foundation in March 2008, could find little evidence of regeneration polices working in their overall analysis of programme evaluations.

So what's gone wrong?

In my experience, the lack of progress is more a failure of the intellect than a weakness of will. For, over the years there has been no lack of political commitment, no shortage of public investment, no slackening of effort on the part of well-intentioned and hard-working people to tackle deprivation and disadvantage. What's missing – despite the importance attached to 'joined-up' thinking – is a coherent and intellectually rigorous theory of neighbourhood regeneration or, to quote from the Social Disadvantage Research Centre report again, 'a properly articulated theory of [neighbourhood] change'.

At Strategic Urban Futures (StUF), I have been developing a theory of neighbourhood change, drawing upon our work in community capacity building, master planning and local economic development. The neighbourhood is first located as an autonomous micro-system within a larger, more generalised system, organised as a hierarchy of interconnected relationships that exist at various levels – e.g. the city, the region, the country and the world. The fundamental point is that within any neighbourhood, there are internal and external flows or exchanges of resources; and these achieve a state of balance, or arrive at a point of equilibrium, which persists over time. The technical term is 'homeostasis'. Thus neighbourhood is conceptualised in terms of its internal and external relations, in other words as a bounded system with its own integrity, and it is exactly that sense of integrity, stability, or what alternatively may be called identity that is so likely to be lost when neighbourhood boundaries are officially defined. Far too often the neighbourhoods defined by policy-makers, bureaucrats and even social researchers are the fictions of administrative convenience. How (and by whom) neighbourhoods are set is a fascinating topic in its own right; unfortunately there is not the space to do it justice here.

Applying systems thinking to the study of neighbourhoods is not new. Around ten years ago, Margaret Attwood, Elaine Applebee, Mike Pedlar and David Wilkinson were exploring very similar themes. What I have been trying to do is to build upon their work by applying a transactional analysis to the concept of the neighbourhood as a system by examining local capital flows. The term capital is most strongly associated with economic theory, where it refers to stored value, i.e. the accumulation of an economic value that arises from deferred consumption. But the idea of value need not be restricted to the economic domain; and thus the term capital can be applied usefully to other value systems. In my analysis then I have employed the language of capital to represent all the assets (actual and potential) contained within a neighbourhood.

Neighbourhood capital represents the assets of a community. Those assets may be considered to consist of different asset classes. These are:

- Physical capital (buildings, land and other natural assets);
- Economic capital (enterprise and incomes);
- Human capital (individual skills, knowledge and abilities);
- Social capital (the bonds of family, friends and community); and
- Cultural capital (civic identity, governance structures, organisational capacity and collective knowledge).

It is already well understood that the different forms of capital interact with each other within a value chain within a neighbourhood. For example, in his study of Italian Cities, Robert Putnam found a positive correlation between social and economic capital. But the metaphor of a value chain is perhaps misleading in that such positive relationships are not necessarily the norm. There are instances where strong community bonds can restrict individual aspiration and opportunity, constrain human capital and damage economic advancement. Similarly, the narrow pursuit of economic growth and individual self-interest can often be at the expense of other human relations and the natural environment. We need therefore to develop an account of neighbourhood capital that allows for such complexities: one that is more than simply a summation of the parts, but which recognises that the constitution of the neighbourhood is as an emergent property that arises from the synergies of people and place. For if the individual components of neighbourhood capital can be said to determine standards of living of a locality, then neighbourhood capital defines its quality of life.

There are signs that, dare I say it, of this kind of 'joined-up' thinking beginning to emerge in social policy. Thus John Hill in his wide ranging review of the future of social housing has some interesting ideas of how shared equity schemes could be used to reward socially responsible behaviour – in the model of neighbourhood capital that I have been outlining is an example of how developing economic capital can support social capital. But I would like to see this kind of individual stake-building developed further and linked to more collective and locally accountable forms of ownership. I believe that unlocking physical capital by transferring land assets to local community ownership for local development offers perhaps the most effective route to building neighbourhood capital. Similarly, the creation of mixed communities by changing the social class composition of an area by the introduction of more affluent households does little to address issues of social equity within a neighbourhood unless it is accompanied by some form of social contract between all sections of the community; and again I think that can be achieved by linking the acquisition of physical assets to a commitment to building the other forms of neighbourhood capital. I am also particularly interested in the operation of the local neighbourhood economy and how, in fact, if functions as three quite different systems – market forces, traditional forms of exchange, and command and control mechanisms.

Capital exchanges, of course, also take place between neighbourhoods and this helps us to better understand the persistence of the inequalities of places. Thus disadvantage within a neighbourhood can be explained as an ongoing imbalance in capital flows between it and its external environment, which serve to maintain it at a relatively impoverished equilibrium. The New Economics Foundation, amongst others, have studied how resources and investment continually leak out of poor neighbourhoods; the same argument applies to the flows of public monies that have flowed into and then out again of many area-based regeneration programmes. It is a process that Glen Jenkins of the March Farm Community Outreach Project has called 'rinsing'. Successful neighbourhood regeneration then is not simply a matter of resolving the deficiencies in neighbourhood capital but also addressing the issue of how resources and investment can be retained within an area. Inevitably, this requires us to think more deeply about the ownership, distribution and flows of neighbourhood capital both within and between neighbourhoods.

This article was inspired by someone who asked whether local people ever really benefit that much from area-based regeneration programmes. The answer is that they can under certain circumstances. In conclusion then, it seems to me that those circumstances can only arise when the process of the development of neighbourhood capital is controlled and owned by the people who live in the neighbourhood, and that the scale and pace of development is of their own choosing.

To quote Paul Collier, Professor of Economics and Director for the Study of African Economies at Oxford University:

> *“Changes in the societies at the very bottom must come predominantly from within; we cannot impose it on them.”*

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