

Special Reports **The Future of Cities****Urban Planning****Why we must mind the urban gap**

Divides are growing within cities and with their nations — but what can be done?

Edward Luce



Parallel worlds: an elderly resident walks past a construction site hoarding advertising new apartments in a regeneration project in the south london neighbourhood of Elephant and Castle © Richard Baker/Getty

YESTERDAY by: **Edward Luce**

There is no pleasing some people. During the 1960s and 1970s, the wealthy fled the west's big cities to escape crime and urban blight. In the US it was known as "white flight". Cities such as New York and London were in headlong fiscal decline.

Then came the great revival — or the "reverse white flight". Today London and New York are the world's metropolitan hubs. Aspiring global cities strive to copy them. Yet success has bred a new kind of problem: economic segregation.

In his latest book, *The New Urban Crisis*, Richard Florida bemoans the divides within the "winner takes all" super-cities of the 21st century. Having come back from the brink of bankruptcy, they are now succeeding too well. Soaring property values are turning the west's largest metropolises into walled-off playgrounds of cosmopolitan elites.

Mr Florida once celebrated the rise of the creative classes. Now he worries about the backlash of the uncreatives. As the joke goes: "Roses are red, violets are blue, I'm a creative, here to displace you."

The most pressing headache is political. Perhaps the starkest divide in the Brexit referendum and the US presidential poll of 2016 was between big-city voters and those in the suburbs, smaller towns and countryside. Just as London voted to remain in the EU, so New York opted overwhelmingly for Hillary Clinton, the defeated Democrat.

The gap between urban sensibilities and their hinterlands is visible the world over. More than half of Moscow's voters rejected Vladimir Putin in 2012. The Russian president was still re-elected by a landslide. Fewer than one in 10 Parisians voted for Marine Le Pen in the second round of the French presidential election last month, against a third of the nation. Similar gaps exist between Istanbul and the rest of Recep Tayyip Erdogan's Turkey — and so on.

In political terms, the displaced are taking revenge on the gentrified. What is driving the crisis — and is there a cure?

The biggest cause is the changing nature of work. As jobs have shifted from manufacturing to services, so the returns on education have risen. We live in an age of scarce human capital. Most graduates and post-graduates prefer to live in larger cities, where they can rub shoulders with their peers. They often have more in common with the denizens of big cities in other countries than they do with their suburban neighbours.

The gap between a metropolis and the rest is as much about education as it is about incomes. Though what Mr Florida calls the “urbanised knowledge classes” subscribe to liberal values, such as gay rights and ethnic diversity, their success has bred a new form of segregation. The less well off find it increasingly hard to live in the large urban hubs. For the first time a majority of America's poor now live in the suburbs, which are largely invisible to the elites.

The homicide rate has declined sharply in most of America's big cities over the past generation. Even Chicago, which has more murders than any other big US city, has cut its annual homicides by roughly half from their peak in the early 1990s. The fall in the number of US urban murders since 2000 has almost exactly mirrored the rise of suburban killings. Similar divides are visible in America's opioid epidemic, which is primarily a suburban and small-town problem that afflicts blue-collar males.

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What is the cure? The most intuitive answer is to raise the education levels of everyone else. But that is far easier said than done. In most western countries, school funding is based at least partly on local property taxes, which only reinforces the educational divide. The wealthier the catchment area, the better the school. Research shows that lower income children who live in higher income neighbourhoods tend to do far better than lower income children who live in areas of concentrated poverty.

This suggests that mixed income development should be a priority. That solution is hardly a new one, it was advocated decades ago by Jane Jacobs. Yet Nimby-ism — the “not in my backyard” mentality — continues to worsen. Gentrified areas tend to put multiple restrictions on development and use. The wealthier the borough, the more bureaucratic the licensing. It is a problem that afflicts Mayor Sadiq Khan's London as much as Bill de Blasio's New York.

Progressive elites become decidedly unprogressive when the character of their neighbourhoods are threatened. Mr Florida calls them the “New urban Luddites”. Tyler Cowen, the economist, calls them the Bananas — “build absolutely nothing anywhere near anything”.

Another solution would be to remove taxpayer subsidies for homeowners, which would encourage more high-rise rental development. Shifting from a property to a land value-based tax could also stimulate investment in higher density housing. But few city mayors have the courage to take on the luxury condo developers. Achieving any one of these reforms would require a showdown with vested interests.

The divide between larger cities and the rest may be a problem we just have to get used to. Humanity has had millennia of practice. The gap is as ancient as the bible. Rural folk have always resented city ways, just as urban denizens have always looked down on provincials.

If grander solutions exist, they are unlikely to be generated by cities themselves. It has become fashionable in the past decade to talk about a global parliament of mayors along the lines of the Hanseatic League that governed commerce in medieval northern Europe. The idea, which was succinctly popularised by Benjamin Barber, the late political theorist, has great allure. But it also has its limits.

Until cities can raise standing armies, control their borders and issue their own currencies, national governments will continue to be more important. Most big cities are doing fine on their own. It is national governments that are underperforming.

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