



COVER SHEET

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UNIVERSAL RIGHTS AND GLOBAL WRONGS

Phil Heywood, Queensland University of Technology, Brisbane, Australia p.heywood@qut.edu.au

Mila Friere and Belinda Yuen (Eds), 2004, *Enhancing Urban Management in East Asia*, Aldershot, UK, Ashgate.

In a well focussed introduction, Friere points out that East Asia's urban population is likely to double to more than 1.2 billion people in the next 25 years, and that these new citizens will need decent living and working environments if their lives are to be humanly fulfilling rather than degrading and desperate. The book, consisting of 13 papers originally prepared for the World Bank's Urban & Regional Management Course held at the National University of Singapore in May 2000 and edited by Mila Friere of the World Bank's Latin American Region and Belinda Yuen, a professor in the Department of Real Estate in the National University of Singapore, explains the World Bank's strategy to achieve decent living conditions for the developing world's rapidly expanding urban populations. The collection has been well edited, despite one or two amusing editorial glitches, including the following note from Professor Yuen to Mr Friere, which has been inadvertently left in the text:

Mila, as a reader one is left with a bit of a gap here in relation to what was discovered. Is it possible that Cities Alliance can provide some more stats for you to quote here; otherwise I fear it only leaves one with questions?

There is no evidence that the World Bank's Cities Alliance came across with the stats, and the article on City Governance and Strategy, like most of those in the book, still leaves the reader with more questions than answers. Nevertheless the book does present a coherent picture of the World Bank's urban strategy at the end of the Wolfensohn era. Since the Bank is the international paymaster for strategic public investment in the cities, not just of South East Asia, but also of the entire developing world, the resulting collection is of great interest to all planners working, teaching, or researching in or about these countries.

Friere lays out the twin themes which run like counterpoint through the book, and also through World Bank policy: the "inevitability" of economic globalization, and the inherently local nature of human settlements, with its associated need for good local governance. He recognizes the ambiguous effects for East Asian cities of the recent rapid development of both the global information economy and of international capital flows. He sees that they not only increase but also polarize wealth in cities where current very rapid population growth already is already crunching together rich cashed-up elites and impoverished masses of recent arrivals lacking resources for even a starting stake in the game of urban competition. He outlines the trilogy of World Bank solutions- decentralization, privatisation and citizen

empowerment. These are then explored throughout the book by reference to useful case studies.

In his article on *Globalization and the New Urban Challenge*, Professor Yeung Yue-Man, Director of the Institute of Asia Pacific Studies in the Chinese University of Hong Kong also acknowledges the powerful role played by the global economy in concentrating population in such dominant World Cities as Shanghai and primate regional ones like Bangkok (which produces 43% of Thailand's Gross Domestic Product), and Seoul which similarly dominates South Korea's economy and accommodates nearly half the national population (and more than the total population of Australia). He provides a welcome perspective on these indicators of urgent metropolitan growth by recognizing that the overall rate of population growth in developing countries is already leveling out, in line with trends well established for several decades in developed countries. The metropolitan planning implication of this clear trend is that we require rational goal-based problem solving plans to build bridges over troubled floodwaters rather than trend planning to cater for endless tides of unremitting growth. A more widespread recognition of this would help the World Bank to review its entrenched assumption that only untrammelled market forces will be dynamic enough to meet the needs of rapidly expanding Asian cities for transport, sanitation, power and water. What is actually required is not a big bang of private enterprise mass competition but a measured publicly accountable and coordinated provision of basic services in the natural monopolies of roads, railways, sewage works and water supplies. Current economic rationalism ignores this social rationality. Yeung, for instance, despite recognizing that the current crisis of population growth will soon diminish, does not question the inevitability of an international division of labour or the desirability of increased investment in developing cities by multi national corporations. He goes on to advocate Foreign Direct Investment (FDI) as the greatest single generator of increased urban prosperity and improved urban management, without weighing its consequences for the social and economic independence of host countries. Panic reactions about crisis conditions are affecting the thinking even of those who cognitively question the reliability of the justifying myths.

This commitment to FDI is a unifying theme of the whole book. It is vividly concretized in the articles by See Thok Chun on *Industrial Estate Planning and Development* (depicted as free standing, foreign owned industrial developments outside existing urban areas or metropolitan boundaries) and by Webster and Muller on *Peri-urban Development in China*. Chun sees his industrial estates as the most effective way of generating employment and prosperity in rural areas and national economic growth. Webster and Muller acknowledge that the environmental effects of their peri-urban industrial developments, both regionally and globally "are not benign" because immature development of local government results in few effective controls over noxious emissions and wasteful consumption of natural resources. Nevertheless the writers assume that this form of development is inevitable. They even produce a schematic regional development diagram, which concentrates manufacturing in the corridor running towards the regional port and hi tech activities in higher amenity areas adjacent to residential locations.

A quaintly named “green belt” is consigned to a remote wedge running inland from the metropolitan service core. The environmental, aesthetic, health and social results of this kind of macro-scale thinking for North West England in the nineteenth century have been well chronicled by Elizabeth Gaskell (1849, 2003), Heinrich Engels (1856, 1996), Walter Greenwood (1933, 1984) and William Woodruff (2002, 2003). After one and a half centuries, the clean up continues. Is this what progressive planning has advanced to from the primitive visions of Ebenezer Howard, Peter Kropotkin, Tony Garnier and Frederic Law Olmsted, the creator of New York’s and Chicago’s Central Parks?

In his article on Industrial Estates, Chun is not concerned with issues of separation of ownership from work or alienation of labour and capital. He states baldly that his findings establish that “developing countries should allow foreign ownership of land and properties”. There is no distance between this position and the recently shelved campaign of the World Trade Organization for mandatory adoption of the Multilateral Agreement on Investment (MAI). This would have banned restrictions on foreign ownership in member countries, thus destroying their last line of protection for their land and resources. This final extension of the international division of labour would permanently marginalize developing nations in the global economy, and risk creating a vast new underclass of landless and pauperized peasants and urban labourers. Chun comes from Singapore and Yueng from Hong Kong, both cities with almost no spare land and large volumes of capital available for overseas investment, so their views are readily explicable. Malaysian, Thai or Korean academics might be more cautious, but their voices were not heard in this symposium, and are not reflected in this book. Meanwhile the World Bank encourages FDI without reservation or safeguards.

The other main theme of the volume, local involvement, empowerment and improved governance was expressed in a short-lived program in the late nineties, whose influence still survives, which aimed to stimulate a number of City Development Strategies (CDSs) in five East Asian countries. Principles of subsidiarity and empowerment were specified, but were rapidly transformed into stakeholder involvement and co-option of influential elites, who could take over government roles of implementation. Citizen involvement was not conceived as by J.S. Mill (1969, 1993) or John Rawls (1971) as an expression of social justice or an introduction to the responsibilities of democratic leadership, but as a form of privatization, removing responsibilities from the untrustworthy grasp of “big government” and giving them to private organizations and individuals less prone or able to distort market forces by constraining global economic forces and investment. Several of the papers describe strategies to improve local governance through enhancing the capacity of local business stakeholders to themselves provide infrastructure. Subtle programs of involvement in visioning and development of implementation schemes were intended to be preludes to persuading local business leaders to do the jobs themselves. Nathaniel von Einseidzel, then East Asian Director of World Bank activities evaluates the CDS program which he established in 1998 to develop a model for strategic city planning in a number of volunteer cities in Vietnam, Philippines, Thailand, Indonesia and

China, selected on criteria of good leadership, bad problems, local interest and central government support. It was based round the following simple process:

Group Visioning> Stakeholder Involvement> Proposed Initiatives> Feedback & Monitoring.

To a planner, this methodology looks perfunctory and shallow. Links between stages are not explained. No methods are proposed to move from visions to proposals. No mention is made of evaluation of options. Synthesis of the different schemes into integrated programs is ignored. The World Bank economists do not appear to have heard of Christopher Alexander's *Notes on the Synthesis of Form* (1963, 1999) or *Pattern Language* (1977). Von Einseidzel honestly puzzles over why the schemes were much more successful in the early stages of generating interest and enthusiasm for consensual visions than at achieving their major intention of transferring responsibility for implementation from government to business stakeholders. The explanations that a number of the key activities were naturally those of governments rather than private enterprise, that activities such as rail transport, public sanitation, water supply and environmental protection and access are natural monopolies which should be preserved from the tragedy of the commons, does not seem to have occurred to him, or if so he rapidly dismissed the heretical thoughts. Certainly in Australia in the last five years, there has been a reversal of the attitude of large and small private developers towards government's role in facilitating development. They now campaign, not for the right to provide public infrastructure themselves, but for government to commit to, and program, infrastructure development in public regional development strategies and infrastructure plans, allowing the private sector to get on with the crucial business of developing the living and working places which give new and growing settlements their most directly experienced quality of life (Property Council of Australia response to Draft SEQ Regional Plan, 2005.)

Nevertheless the City Development Strategies were serious attempts by a large investor to identify, develop and test guiding principles for city development. In summary they produced the following proposals:

Principle	Sector	Strategy
Bankability	Investment	Foreign Direct Investment (FDI) Economic Growth. Poverty Reduction
Competition	Engineering & Infrastructure	Privatisation of infrastructure

Livability	Environment and Education	Upgrading skills and living standards of poor and excluded
Good Governance	Local Government and Community Life	Social and political inclusion and empowerment

This approach rests on bases of secure foreign investment, general competition, and local involvement to produce a rising tide of prosperity, which will float all boats and fill their sails with local energy. This in a sentence is the vision of the World Bank economists of how global competition will continuously improve the human condition. It represents the replacement of the Enlightenment principle of universal values and truths which will bring justice and equality ever closer to the reach of all, by the postmodern Globalization doctrine of universal competition in which the hidden hand of the laws of supply and demand will ensure worldwide progress, at the same time as winnowing out the uncompetitive and therefore recidivist characteristics which might retard the “progress of improvement”. Universalism is being replaced by Globalism, the goal of harmony by that of competition. The market of money is being proposed as a more realistic successor to the market of ideas.

There are three faces of Globalization: increased opportunities: increased threats and decreased local control. Citizen’s civil rights are exchanged for financial ones, and when people’s existing status is that of urban untouchables, bustee dwellers or persecuted peasants as they often are, for instance, in modern Mumbai or rural Gujarat, this may seem a good exchange. They may become instead wage earners, wage seekers, wage slaves, wage beggars or prostitutes. Foreign direct investment may put food or money in their bowls, but it may take over the land on which their shelter is built, particularly if foreign purchase of local land is encouraged. FDI already constitutes more than 64% of the world’s fixed capital investment according to Professor Yeung, making it one of the dominant international movements in world history, able to move massive military personnel and munitions at will from one continent to another to instill shock and awe into local population, in order to safeguard energy resources which are regarded as essential by international investors.

The question then arises whether this is a power that benevolent world bodies like the UN, Habitat, ILO, FAO, WHO and the international Court at the Hague should support or constrain. There is some interest in contrasting the enlightenment commitment to universal values, and the Postmodernist commitment to global trade. Universal values derive their meaning from local human experiences, validated in reciprocal exchange of ideas between people, flowing to be collected in a pool of ideas. Global economics derive *their* meaning from local production flowing to form a pool of goods. Whereas ideas are based on public consumption and exchange, goods are intended for

private exchange and consumption. It is therefore impossible to steal ideas because they cannot be removed from the person who originated or participated in their production, except through murder, but it is very easy to steal goods or to extort them at a pauperizing rate from those who have produced them. Universalism thus tends towards social justice and limited growth in production, while global economics tends towards high productivity, international division and exploitation of labour, and entrenchment of war as a way of regulating relations between societies in continuing contact with each other.

Markets are good at creating wealth but bad at distributing it according to need, being based on unequal distribution to enhance availability of venture capital. Democratic governments, on the other hand, are poor at creating wealth but can be good at its distribution because of their responsiveness to the equal human choice of voters. Our rapidly developing new cities and metropolises thus need to protect market activities, without abdicating to them their own roles at either local or international scales. However market forces, particularly those of Multi national Corporations may seek to avoid, subvert or marginalize such governments. The best resolution is for regional governance bodies like the EU, ASEAN, or an expanded and democratized NAFTA (including South America) that can maintain the pre-conditions for successful competition, cooperation, wealth creation and re-distribution. The EU has been significantly successful in applying this middle road. The rights of local small farmers are balanced against those of metropolitan consumers, and neither is ignored. Democratic politics is allowed to be an equal force with dynamic economics. Ultimately, we need as George Monbiot (2002) has pointed out in *The Age of Consent* an international world body that can match and encompass global economics and movements of capital and goods. This would be the most secure long-term path to enhancing urban management not just in East Asia, but also throughout the world. Left to themselves, the hidden hands of the laws of supply demand would replicate in the postmodern world of the developing nations of the 21st century the slums they created in pioneer industrial regions in nineteenth century Britain and Western Europe. Dickens' *Hard Times* and *Bleak House*, Zola's *Germinal*, Upton Sinclair's *Jungle* all explain just how economic rationalism shapes cities to reflect the values of pure premeditated productivity with their palaces, slums and piles of spoil and untreated sewage. We should no more leave our planning to bankers than our banking to urban designers. Five years after Mohammed Yunus established the transformational Grameen Bank in the East Bangladeshi region of around Chittagong (Bernstein, 1997) there is no mention of micro credit in the whole of this volume of World Bank essays. Thirty five years after Paolo Friere wrote his *Pedagogy of the Oppressed* (1972) there is still no recommended program to guide effective citizen involvement, education and empowerment, apart from advocacy that influential elites be involved in preparing city development strategies. Micro Credit, universal and free education and healthy living environments are far more important strategies for urban management and improvement than privatization and co-option of powerful stakeholders.

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