

# The fall and rise of **CITIES**

The death of cities has been much proclaimed, but evidence from LSE researchers shows cities are rising again. **Paul Cheshire** gives an urban overview.

In the 1970s geographers coined the term 'disurbanisation'. Urban economists were asking if cities could survive, and sociologists worried that only an underclass would be left living in them.

More recently, along with the trumpeted death of history, we have had the death of geography and the weightless economy. Cities had their role in pre-electronic days, but now why should anyone choose to stay in these uncomfortable anthills?

Yet cities seem stubbornly to disregard these edicts. They still grow like toadstools in the developing countries; and the faster these countries are developing, the faster their cities seem to grow.

In the mature, industrialised countries many cities are staging a comeback. The industrial city itself begins to look like a brief aberration, as cities generally return to their historic functions, trading in ideas, services, commerce and culture and, of course, as places to live. Urban is back as chic, for those with money, and as sanctuary, for those fleeing oppression.

A striking example is London – it illustrates the big city experience in bold, and provides LSE researchers with a laboratory on their doorstep. London lost population continuously from the 1930s to the mid-1980s, with the biggest outflow in the early 1970s. Population stabilised and then, from the

1990s, began to rise again. Nor did population growth just come back to the administrative entity called Greater London. People were re-centralising – the most central boroughs grew fastest and down-at-heel Clerkenwell became trendy Clerkenwell with house prices rising faster than Mayfair.

At the same time the population of London's wider region was growing. If we define cities as urban regions on the basis of urban cores, where jobs are concentrated, and commuting hinterlands, the spheres of influence of those economic cores, then – allowing for the extension of its commuting area – London's population grew by some 3.4 million (or 35 per cent) over the 26 years to 1997. The parts that were least favoured were the outer boroughs of Greater London.

Is the resurgence of cities universal? Far from it. In Europe and in North America there are lots of cases of continuing severe decline. Those doing worst seem to be the cities truly spawned by the industrial revolution: cities like Detroit, Duisburg or Liverpool. It does not seem to be a simple matter of changing economic functions. It is certainly true that cities with competitive advanced service industries (finance, media, marketing), with administrative functions and cultural and tourist centres, have been prospering.

But there is interesting research showing that larger cities have systematically been



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Western Europe's urban giants 1971 to 1997: population in millions				
	1971	1981	1991	1997
<b>London</b>				
1971 boundaries	9.78	9.05	8.76	9.04
<b>London</b>				
1991 boundaries	•	•	12.52	13.21
<b>Paris</b>				
1971 boundaries	9.50	10.07	10.62	10.91
<b>Paris</b>				
1991 boundaries	•	•	11.42	11.80

prospering relative to smaller ones. Partly this seems to be associated with falling family sizes, and increasing education and labour force participation of women. 'Power couples' have better chances in larger cities and that outweighs the extra costs of living. And the leisure tastes both of graduates and singles lean more to urban than rural pursuits – theatres and clubs more than golf and gardens – and to the cosmopolitanism which increasingly characterises London and Paris as much as New York or Los Angeles.

But research by LSE's Gilles Duranton and Diego Puga (now at Toronto) suggests it may also be the product of functional specialisation. As telecommunications have improved and costs have fallen, companies can separate out their functions to the most appropriate locations. The command and control functions – headquarters, research and development (R and D) or marketing – have concentrated in the largest cities.

Paradoxically agglomeration economies have become more, not less, important. Quite a similar story can be told of the internet and the media. Good old-fashioned accessibility factors are still important. Internet dependent firms experience sharply increasing communications costs if they are not located at nodes on the high capacity network. LSE's Andy Pratt has been tracking the explosion of media firms

in Central London. A whole industrial district has grown up in the former red light district of Soho (now expanding into Noho – north of Soho). Some firms are fastened to central London because of their dependence on internet access. They may be part of a three time zone visual effects effort, downloading work to Bollywood or Los Angeles overnight. Others interact with them – a whole set of clients, supporting firms and the wider support structure of London, including theatre agents and artists, cluster in the same neighbourhood.

A special case of functional specialisation is that of global command and control highlighted in Saskia Sassen's work (LSE and Chicago) on New York, London and Tokyo. Andy Thornley has also pursued this theme in relation to the efforts of urban planners to promote these functions in a range of cities around the world. However, in the recent *Working Capital* project on the London region, the School's Ian Gordon and colleagues have revealed the continuing importance of UK markets and policies for London, with both market deregulation and widening earnings differentials further boosting London's position as the dominant national centre.

If the cities of advanced societies are economically and culturally resurgent, however, it does not mean that this has cured all their social stresses – and sheer poverty – discovered (or

rediscovered) in the 1970s. For London in particular, the *Working Capital* study shows this is far from the case, with the residents of areas from Tottenham through Stratford to Brixton – north, east and south of LSE – experiencing increasing deprivation during the 1980s and early 1990s. The lesson, however, seems to be that it was not the city which was responsible for these problems, but wider social processes, such as national recessions and widening differentials in society at large. ■

#### Paul Cheshire

is Professor of Economic Geography and convener of the Department of Geography and Environment at LSE. © Paul Cheshire, 2002

## URBAN research

In July three LSE geographers, Paul Cheshire, Steve Gibbons and Henry Overman, took part in an international workshop at the Lincoln Institute in Cambridge, MA, USA, focusing on the role of urban land markets.



**Paul Cheshire** showed how free state schools were effectively paid for through the housing market. In a detailed study of one city's housing market he and co-author Steve Sheppard (from Williams College, Massachusetts) estimated the price paid for school quality. Proportionately the best schools commanded a bigger premium. At the extreme, moving an otherwise average house from the worst to the best possible primary school increased its value by £42,541 (33.5 per cent of the mean house value). This means poorer families are effectively priced out of the best schools.



**Steve Gibbons** analysed the effects of crime on London's house prices. He found that there was a significant impact, not of burglary, but with respect to criminal damage. An increase of one tenth of a standard deviation in the local rate of criminal damage was associated with a one per cent reduction in house prices.



**Henry Overman** co-authored a paper with Toronto colleagues on urban sprawl in the continental US between the 1970s and 1990s using remote sensing techniques. The results showed only a very small proportion of the total area was in urban use (1.9 per cent), and that this was likely to be true for at least a few generations. Disaggregating the data, however, suggested a quite different story. New development was heavily concentrated where people already lived or travelled, near existing cities, along coasts and along the lines of highways. So while land was not scarce in the aggregate it was becoming increasingly scarce locally, fuelling concerns about urban sprawl.

The LSE's Geography and Environment Department has been entirely transformed since 1994, moving away from teaching conventional geography courses combining human and physical geography, to courses drawing on geographical expertise but exclusively within the social sciences. It has determinedly restructured itself to complement and draw on the strengths of LSE.

In 1992-93 there were 90 undergraduates and 24 taught postgraduates including planners – less than 3.5 per cent of the School. There were 12 permanent members of academic staff. In 2002-03 the undergraduate intake alone is 71 – getting on for as big as all three years combined in 1992. The intake of students on taught postgraduate courses has increased nearly sevenfold to 180, and there are now 20 permanent academic staff as well as distinguished visitors and teaching fellows.

Research is organised in four clusters: cities; economic geography and regional science; development; and environmental policy, planning and regulation. Researchers on cities and urban issues, for example, come from all four clusters.

See [www.lse.ac.uk/Depts/geography/esa.htm](http://www.lse.ac.uk/Depts/geography/esa.htm) for recent research papers.