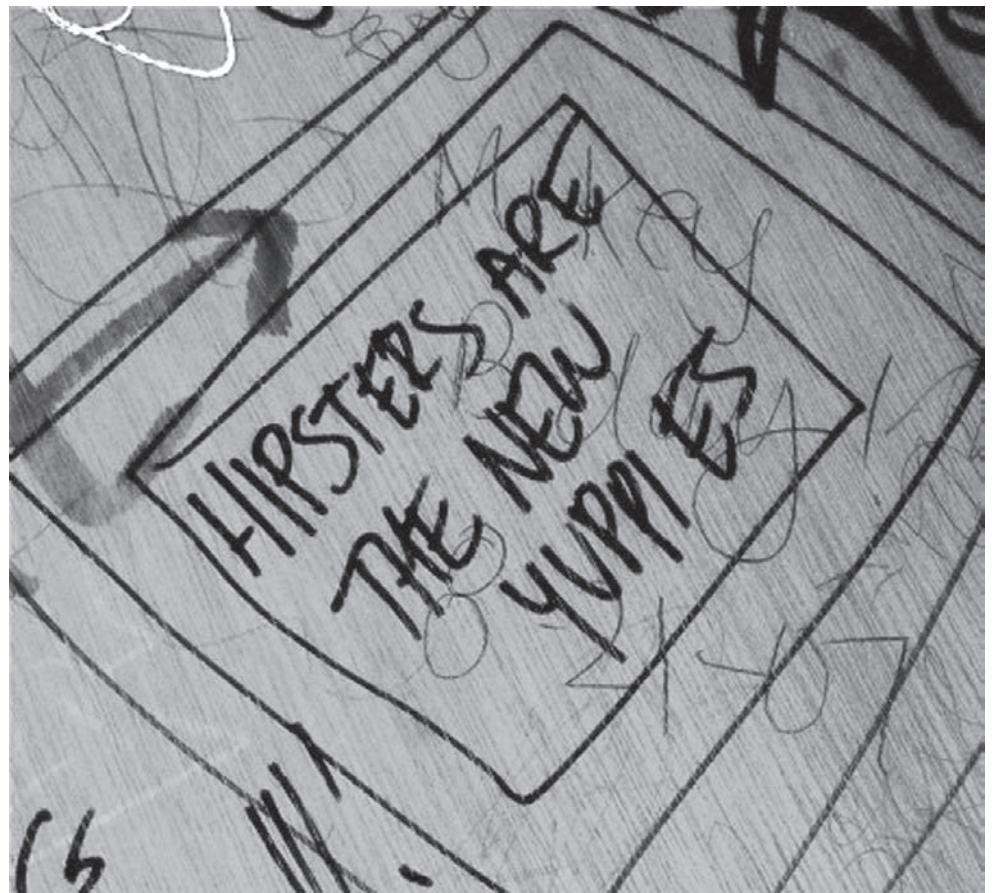


Shoreditch and the creative destruction of the inner city



Benedict Seymour

This article was finished in October 2004 as a kind of complement to a short film called 'The London Particular'. The end of the property bubble and the crisis of the wider system of looting mentioned here have arrived. The interesting question now is whether this crisis will halt, pause or intensify the process of regeneration/gentrification. Is the crisis a reprieve or a new assault, and who will win this time? In Hackney, the east London borough discussed here, there are signs that it is both, with some regeneration projects (mercifully and/or absurdly) stalling, others moving blindly ahead – most notably the 2012 Olympics development. On the estate where I live, plans to construct 'in-fill' housing on green space and 'disused' sites appear to have been held up, and rumours circulate that major projects are being abandoned. What is missing in this text and 'on the ground' is organised resistance to the processes described here, but hopefully this may be about to change now, too...

1 Militant Urbanism

Shoreditch, celebrated as the heart of London's creative and artistic scene in the '90s, is an ex-industrial, increasingly ex-working class area in the East End of London now severely gentrified. Located between the enormous wealth of the financial district in the City of London and the (growing) poverty of Hackney and Tower Hamlets, its flashmob-like explosion into cultural and economic life became the apple of urban policy makers' eyes in the late '90s. Shoreditch's convergence of culture and commerce evolving out of a once lively clubbing, music and (YBA) art scene has today reached a similar condition to that of Berlin Mitte or New York's Lower East side. While the area now hosts bluechip art galleries

formerly based in the West End, the initial 'cultural' elements that gave the area its charisma of community and experiment have mostly been killed off, priced out by rising rents, and supplanted by expensive apartments and culinary distractions – restaurants and bars – that make good the zone's new fashionability.

Effectively looting and recycling devalued property, subcultures, resources and public space for the benefit of an incoming elite, gentrification continues to take place in a remarkably similar form in 'world cities' and provincial capitals across the globe. In areas like Shoreditch and its peers around the globe, the cosmetic renewal of a portion of the crumbling urban core coincides with continued – or intensified – infrastructural decline. The reactivation of dormant (or low profit sweatshop-occupied) industrial properties first as artist's spaces and later as bars, boutiques, apartments etc has made many landlords even richer, but the area's large tracts of public housing, services and transport facilities remain in a deteriorating condition and/or are sold off to the private sector. Gentrification takes from the poor and gives to the rich. Anything residually 'public' will either be reclaimed for the middle class or left to rot.¹

Each wave of colonisers plays out the contradictions of their particular claim to space, taking sides against the next phase of gentrification in which they nevertheless conspire. The nightclub owners print huge posters declaring the area a 'nighttime economy' and warning potential residents not to expect 'living on the edge' to take place in silence. Hipsters in Brooklyn wear 'Defend Williamsburg' t-shirts, a slogan accompanied by a picture of an AK47 and no consciousness whatsoever of the violence of primitive accumulation in which they are always already mired up to their armpits. Acting out fantasies of radical chic and social toxicity, the shocktroops of gentrification have been much taken, in the last ten years, with images of guerilla warfare, an unconscious, aristocratic reflection of concurrent neoliberal 'military urbanism' in more intensively looted cities from Palestine to Iraq to Haiti. Gentrification's vanguard are at their most depoliticised when at their most radically chic (what Simon Pope described in the late '90s as the Prada Meinhof), and almost seems to dream the preconditions for this low-level urban civil war through their hypertrophied 'fashion sense'.

The creation and rapid extinction of cultural 'incubators' – clubs, art spaces, etc. – by more lucrative investments in areas like Shoreditch

at the same time intensifies bohemian settler's efforts to maintain that crucial 'edginess' which is the USP of the area's marketing. In reaction to the zone's loss of 'authenticity' as their punky simulacrum are displaced by more economically efficient ones, Hoxton and Shoreditch, like Williamsburg and the LES, have taken a 'dirty' turn in the last couple of years, playing out a fad of stylised abjection and anarchy while keeping their iPods clean. One physical emblem of this compromise formation is the Shoreditch bar Jaguar Shoes, where the seedy old shopfront has been left intact in all its fading plastic glory, its interior scooped out and embroidered with belle-lettristic graffiti. A shift from the gleaming sterile bars of the dotcom era to red-lit pseudo sleaze today obeys the same relentless logic. A facsimile of bygone bohemian squalor it is at the same time an index of the limited economic resources for renewal, a sign of straitened circumstances. As the (unwitting) poet of gentrification Michel De Certeau might say, the current avant garde of gentrifiers elaborate a sensibility based not on remaking but on 'making do'.

Gentrification in London, a city now rated among the most expensive in the world, embodies the drive of a cannibalistic capitalism looking for ways to cut its costs in a period of declining profit rates and deepening national current account deficits: The search for new, cheaper use values (primarily space, but also intangible assets – authenticity, creativity, community) occurs via the alienating logic of exchange value and its necessary supplement, primitive accumulation (or, simply, theft). Out of the middle classes' need for more room, more time, more congenial cities, emerges simulation, homogenisation, privatisation and the looting of residual commons. An inherently vampiric process which parasitises upon and kills its host, gentrification is a physical symptom of neoliberal economics just as much as generic malls and big box out of town developments are. Where these extrapolate out from modernist industrial economies of scale, gentrification (at first) provides a luxury complement to /compensation for the devastation. Lively, characterful inner city oases, what a relief. The problem is that, as an equally privatised form of development, gentrification is of course only the inner city version of the same process and leads from exclusive art parties to Starbucks and all the rest. The same economic laws force once 'idiosyncratic' zones of experimentation and 'independent shops' into increasing conformity as the process matures and prices rise. There is

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prosperity for a few but for everyone else the area's social capital has been bled dry.

Gentrification does not produce so much as reproduce, rather than creating anew it recycles, instead of investing in production it expropriates objects and subjects outside the 'real economy' to prop up the ever expanding bubble of credit substituting for real growth. As America's balance of payments deficit deepens the property boom in both the US and UK functions to defer the evil moment when this deficit has to be repaid. Without going into this in depth, it should be emphasised that gentrification is very much a sign of western capitalism's diminishing ability to make productive investments. Instead of investing in manufactured and traded goods, the US and UK use other countries money to borrow against over-valued property which in turn allows them to buy more foreign made goods, causing yet more money to be poured back into over-valued real estate. The current account deficit continues to grow. While factories and apartment blocks' rents rise and housing prices rocket, their physical structure is allowed to deteriorate. Some fixed capital is renewed – hence the 'vibrant' look of gentrified zones which one hears so much about – but even this is cosmetic and, as it were, borrowed against the looting of infrastructure and labour both within the nation-state and overseas.

Consumer activity in the UK is dependent as never before on credit secured against mortgages on over-valued property. But the property bubble itself has to be sustained somehow. In this way the local process of gentrification is supported by the extraction of surplus value from the less 'developed' world. In the end the military urbanism going on in Palestine and Fallujah is the extension of the US's monetary imperialism of which gentrification is one domestic consequence. Military urbanism and urban militant chic are indeed connected. The hipsters in AK47 T-shirts are quite right that their claim to the inner city must be defended by force; its just that the ones doing the fighting are their displaced latino and black neighbours and the enemy are Iraqis.

2 Behind The Boom

By the late '90s Shoreditch and Hoxton were being trumpeted as a model for 'urban renaissance' by policy makers. Regeneration industry professionals and proponents of densely populated inner cities declared their commitment to fostering neighbourhoods with a mix of residential and commercial buildings, socially and economically diverse areas with 'mixed and balanced communities.' With the dotcom bubble yet to burst, Shoreditch was held up as an example of how the 'inner core' of the city, allegedly abandoned after the flight of working class inhabitants to the suburbs in the '60s and '70s, could 'come back to life' if the area's 'residual' population of deadbeats were supplemented (that is, supplanted) by a lively group of dynamic and entrepreneurial cultural professionals. From the beginning this notion of new 'life' served to obfuscate whose life was being discussed – not that of the area's economically challenged majority, it would seem.

New Labour claimed that the 'revival' of inner cities was good news not just for the affluent newcomers but that the commercial and cultural activity they began would bring prosperity and opportunity for all. Vibrant, ferociously networking creatives would displace the depressing homogeneity (and the social support networks) of the working class. As we have mentioned, the dotcom boom soon saw the artists' studios, clubs and experimental cinemas that started things off ousted by landlords keen to cash in. When the surge of new economy related businesses itself proved short lived, the dotcom's avant garde loft-style offices became yet more bars and restaurants or just fell empty once again, a memento of the bubble and a portent of a bigger crash still to come.²

While Shoreditch's magic circle was in the media spotlight the most massive and significant changes in the borough of Hackney, and indeed the city as a whole, were scarcely discussed. The

social cleansing of working class communities across large swaths of London's inner core, vicious cuts, privatisation, and Eastern European levels of poverty coincided with the highest number of housing privatisation ballots in the country. The latter, advanced in the name of 'regeneration' served to hasten the theft of the city from its true 'creative class', re-engineering former industrial areas as a playground for young middle-class consumers of surplus value.

Although it is notoriously difficult to get precise figures, I would guess that as much as 40% of Hackney's working class population have been pushed out of the area through the combined effect of rising rents, evictions, demolition and transfer of council housing into the hands of housing associations. In the last ten years council estates have been demolished or sold off to be replaced by so-called 'affordable housing' – which, given house price inflation, no one can afford. Major and Blair alike have honoured Margaret Thatcher's mission to privatise the remains of the welfare state commons and impose 'consumer choice' on an increasingly impoverished majority too poor to exercise the inalienable 'right to buy' when it comes to their basic need for shelter.

The local authorities in gentrifying areas connive with developers by letting social housing crumble, forcing residents to either accept a lifetime of shitty accommodation and rising crime or transfer to housing association landlords who promise (but by no means always deliver) repairs and maintenance which was once provided by the government. While in Shoreditch and the borough of Hackney this has seen a few estates 'regenerated', many more remain in an appalling condition. Where there are improvements in the physical state of the buildings this comes at the cost of the definitive loss of the (relative) security of tenure offered by state owned and run housing, and the beginning of what promise to be exponential rent rises. Privatisation of services in Hackney has converged with the privatisation of space such that where services work at all the workers enjoy lower wages and more precarious contracts, and the consumers, in the case of companies like Pinnacle (social housing maintenance) and ITNet (housing benefit) worse or non existent services. The level of private policing and the number of CCTV cameras rises as the local police and council workers grow ever less keen to visit the estates (unless of course they are wearing their newly issued bullet proof vests!).

But didn't Shoreditch also offer new chances to those whose homes were being sold off and traditional hang outs (the rapidly closing or gentrifying pubs and caffs) shut down or reoccupied? While some new businesses did spring up, these did not cater to or even employ the working class population of the area. Again, the rhetoric of diversity and opportunity (new jobs, training, participatory local democracy and community based initiatives) served only to cover over the evictions and expropriations, devolving responsibility for these onto the population they attacked. The increasing use of local community groups and referendums to integrate local people into the process has functioned to give it a veneer of legitimacy rather than effecting a real transfer of power. Those that participate in 'Neighbourhood Renewal' projects like Shoreditch New Deal (now rebranded as Shoreditch Our Way) have been known to describe the process as 'not consultation but dictation'.

3 Creative Destruction

After all the talk of 'inner city renaissance', the government this year (2004) finally admitted in a white paper on the area that Shoreditch was not the success story that they had claimed. No, it was an example of 'failed cultural regeneration'. Finally acknowledging the displacement of less affluent local people and the reality that the different social and economic groups in the area do not mix but rather pursue existences of segregated proximity, the report noted the 'failure' of the gentrification process to deliver improved services or housing for the poor. It is interesting

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that the official discourse, which took a long time to start selling the idea of Shoreditch as a model of 'creative regeneration', is now so quickly having to reposition its flagship as a failure. Yet in the absence of other models, the old story of rebirth through the clustering of creative small businesses is still being rolled out. Despite all proof to the contrary, Shoreditch is still being cited as a model.

According to Creative London, the London Development Agency's new 10-year action plan for culture-driven urban renewal, the Shoreditch effect, harnessed and made more efficient, is to be repeated across the city's 'run down' areas. Presumably they hadn't heard the news about Shoreditch when they put this latest parcel of guff together, or maybe they know very well what 'creative regeneration' really means and are more inspired by Shoreditch than ever. Far from indifferent to the problem of gentrification, the regeneration elite now see that the re-valourising 'creative class' they admire tend to be displaced by their own success in making areas fashionable. Creative London tries to 'address' this by seeking to help small creative businesses remain in the city and attracting them to areas targeted for 'renewal' in the hope of reproducing and harnessing a Shoreditch type buzz.

According to its website Creative London, aims to 'Galvanize London's creative sector, and bring businesses and people together to make more combined noise.' This punk rock definition of instrumentalised culture continues to favour the development of 'cultural hubs' as catalysts for the intensified privatisation and productivisation of remaining pockets of cheap living in the city. The difference is that now the government's intervention in gentrification is even more direct, more conscious and, as ever, more smoothly presented. Rather than an unfortunate side effect of the real estate market, gentrification is an openly pursued policy objective. Like all the other facts of life under the naturalised neoliberal order, the government will help the privileged negotiate the necessarily precarious nature of unmitigated capitalism but only in a 'dynamic' way.

Exemplifying this tender mercy for the favoured class, Creative London includes a Property Advice Service to help the cultural vanguard find and develop new spaces when their existing ones becoming insupportably expensive. Soliciting creatives to take on and realise the potential of crumbling industrial hulks and potentially dangerous bits of un-reproduced fixed capital, behind the scheme's 'honest broker' rhetoric, the economic imperative is plain: Be our caretakers, reconstruct and make trendy our knackered infrastructure, take the risks involved in repairing dangerous buildings, and when you're done, fuck off. Of course the homeless, squatters and other malcontents who once enjoyed the opportunity to explore such places' 'potential' will now find themselves in competition with government-assisted culturepreneurs, but that is the dynamic, Darwinian nature of creative urbanism. May the most excellent man win (the right to a deferred eviction).

Ethical qualms aside, Creative London and the general ideology of culture-driven regeneration remains committed to the unlikely notion that a dense cluster of web designers and style magazines can be a substitute for the mass concentration of capital and labour that once provided the motor for genuinely productive industries. Stressing the importance of Ideas and the knowledge economy schtick that networked creative communities produce a qualitative leap

in 'value' generation (as opposed to a pooling of value hoovers sucking up surplus value from across the world), the ideologues of this process elaborate a frighteningly self-assured action plan which positions themselves as 'the stewards of our communities', and identifies as targets for removal a series of synonyms for the informalised working class: 'Remove barriers to tolerance such as mediocrity, intolerance [sic], disconnectedness, sprawl, poverty, bad schools, exclusivity, and social and environmental degradation.'³ When they say 'remove' there is nothing to suggest they mean 'ameliorate' – such ideological wish lists are a combination of make believe and a ruthless intent to rectify the community in the image of a commercial utopia in which all perform free labour under the euphemism of 'creativity'. The recognition that 'Creativity can happen anytime, anywhere, and it's happening in your community right now', is simply the familiar assertion that all life is available for work and that a complete mobilisation of the social process is necessary to squeeze a profit out of the 'economically inactive'.

'Everyone is a part of the value chain of creativity', but only those at the top are getting remunerated. The contemporary equivalent of feudalism's great chain of being, the value chain of creativity imagines a metastable dis-orderly universe of Excellence based on well-policed chaos in which the soi-disant creative class serve king capital as instruments of his divine will and ambassadors of the new work ethic.

The underlying imperatives of an era in which productive investment is increasingly impossible for knackered old capitals like Britain or the US mean that even those who demand a less cosmetic solution to the problems of the inner cities are invoking a chimera. The vision of ideologues like Richard Florida and the self-styled 'Creative 100' quoted above, is at once feeble and terrifying, since, in the absence of productive investment in the real economy (and its structural impossibility for countries like the UK), the extraction of the dregs of surplus value from those outside the magic circle will be as brutal as it is euphemised. Identifying new sources of labour, whether in the third world or at home, involves policing, coercion and co-optation, the theft of people's space, time, imagination and ideas and the redirection of opposition into manageable forms.

If one abandons the quaint notion that regeneration's real aim is to produce a mixed and balanced community with 'social housing' and ('good') jobs etc, then it doesn't seem so perverse and ineffectual after all. Viewed in the light of the international experience of gentrification, culture-led regeneration can be seen as the expanded, private-public consummation of the process of revalorisation and looting described above. Increased social polarisation and the (re)imposition of work through intensified economic pressure combine with private capital's pillaging of former public resources (as well as existing communities, bodies, knowledges, etc) in a desperate scramble to suck up every last drop of surplus value from increasingly unproductive 1st world cities. Regeneration is not so much the rebirth of the dormant industrial city but its undeath, bled dry by a vampiric regime of inflation and austerity.

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4 (Un)regenerate Art?

Whether overtly declared as the ultimate motivation for financial support to the arts ('cultural tourism' as economic motor), or as a 'side-effect' of the work of visibility and valorisation performed when artists colonise and gentrify an area, the subsumption of art under regeneration is so advanced that to look at art without looking at the project for 'urban renewal' in which it is inscribed is to miss half, or perhaps more than half, of its social (or rather, economic) function. With London's more 'socially engaged' art scene continuing to burgeon, artists find funding by assuming the role of surrogate and simulacral service providers delivering cheap but cosmetic substitutes for welfare provision. While cultural agencies pour millions into flagship projects that almost immediately sink, artists are a low risk investment. From the task of 'beautifying' the inner city with anodyne public art to the social work and community-oriented projects favored by its 'New Genre Public Art' successors, artists are paragons of regenerate citizenship, not least in their capacity to work for free while generating that marketable 'buzz'.

In world cities like London and the slums of the third world alike, labour, waged and unwaged, is ever more responsible for its own reproduction. The 'creative entrepreneurialism' identified by Creative London as the key to revived inner cities is the upscale reflection of a survivalist condition in which insecurity drives the underpaid into overwork. Participation in the valorisation of life/labour – whether helping run your block of flats or talking to a concerned artist about your memories of displacement – is not so much solicited as compulsory. Consequently, in a regeneration regime it becomes easier to get your experience of urban blight plotted on a psychogeographic map of your area than to obtain hospital treatment, housing or a day off work.

In a similarly perverted piece of logic, the UK's New Labour government now hails 'complex art' as a way to challenge the 'poverty of aspiration' and 'low expectations' allegedly afflicting the lower class. The ongoing increase in simple poverty is ignored.⁴ Although social engagement on the part of artists is viewed as a beneficial and moral expansion of their activities into the community, artists' role is primarily to provide stimulus to and communitarian credibility for the process of privatisation and gentrification which the term 'regeneration' figures as progress and renewal.

If politicised, will socially engaged art practices one day spark unforeseen alliances against the dominant regeneration agenda? Perhaps the imminent collapse of the property market bubble will trigger a new, more creatively destructive attitude to the regeneration-art symbiosis on the part of the regeneration industry's favourite people.

<http://thelondonparticular.org>

Notes

1. However, the 'urban pioneers' and their successors who live in gentrifying areas are not guaranteed immunity from the overall devalorisation of fixed capital in which gentrification's localised valorisation take place. Witness the case of the 30-year-old New York professional recently electrocuted by a Lower East Side manhole cover that, as a result of million dollar cuts in maintenance by utilities provider Con Edison, had become live. A neat image of the kind of pay back that all this non-reproduction of infrastructure and economic polarisation is no doubt storing up for the privileged class, but only a more extreme instance of the low-level violence daily visited on the working class within areas of localised renewal. Property prices and rents may be rocketing but in gentrification zones life is of necessity cheap and citizenship precarious or, indeed, cancelled. The rich are simply those with better insurance and security guards to protect their fundamentally insecure investments.
2. At the same time many new large-scale, flagship PFI projects were begun further into the borough of Hackney of which Shoreditch was very much a model of transformation. These included an Olympic size swimming pool, a library, and a major music venue. Of these, five years later, almost all have closed, their economic and/or physical infrastructures proving feeble and badly constructed. Most of these projects came in millions over budget, and, while hundreds of other services (including very functional swimming baths, schools, playing fields, etc) were simultaneously being scrapped as part of the local council's efforts to impose economic austerity, they seem to combine unproductive expenditure on a Bataillean scale with the most miserly and reductive conception of culture imaginable. In the name of competition and efficiency the bigger scale regeneration process has wasted millions and made local people's lives more difficult, expensive and precarious. What have the Romans ever done for us? as Tony Blair asked, waggishly paraphrasing *The Life of Brian*. Well, the Romans aqueducts are still standing; Tony's domes and amphitheatres collapse on completion.
3. From *The Memphis Manifesto, A Map to the Future* by the Creative 100. <http://www.memphismanifesto.com/themanifesto/> The same kind of mephitic cheerleading can be found on the LDA website for Creative London: <http://www.creativelondon.org.uk/>
4. See 'From Hard Edged Compassion to Instrumentalism Light' in Variant 20, Summer 2004.

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