1. Who owns, runs and pays for city infrastructure?

1.1 INTRODUCTION

Without infrastructure, modern life would be impossible.¹

Infrastructure systems provide the services we all rely upon for our everyday lives. Heat, light, hydration, shelter, connection, and mobility enable the basic daily tasks of cooking, eating, resting, washing, communicating

¹ General Contractors Association of New York (2017: 1).


Plate 1.1 Infrastructure in Baku City, Azerbaijan, 2012
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with each other, and moving around on bikes, boats, cars, foot, trains and trams. Infrastructure underpins and connects sites for fundamental human and social activities in the home, and places to live, learn, work and play across the world. It is especially geographically concentrated in urban areas as more and more people globally are living in cities. Yet, infrastructure is often taken for granted as we flick on a switch, turn on a tap or enter a station. Our relationship and dependence upon city infrastructure only becomes problematic when we confront a breakdown in services and a fault, delay or disruption. Or we are dissatisfied that access to services is determined by how much money we have and where we live and work. Or when the service charges we pay are being increased faster than the general level of price rises in the economy. Or if the salary levels of senior executives managing infrastructure companies are being raised dramatically compared to the rest of their staff. Or when a government pays substantial amounts of public money to private and often international companies to build, own and/or operate infrastructure it used to hold and provide. Such symptoms register public concern and unease about the provision of services, and raise fundamental questions about who owns, runs and pays for city infrastructure.

The focus of this book on funding, financing and governing city infrastructure addresses questions of political-economy concerning the relations between the state, finance and collective urban provision. These issues are not just arcane technical points about the cost of capital, internal rates of return on investment, and life cycle analysis best left to the professional expertise of accountants, consultants, engineers, financiers, officials, politicians, planners, surveyors, and treasurers to consider and resolve. How city infrastructure is owned, gets paid for and run for people and places – or not – are key questions for urban and regional development, politics and policy internationally. These issues are “no longer backwaters of public accountancy” and have become “increasingly significant sites of financial (and political) action”. The answers to such questions matter for several reasons. They determine what levels and kinds of city infrastructure provision are made available as the preconditions for economic, social, environmental, political and cultural activities for people in places, and how this helps or hinders the fulfilment of human capabilities, wellbeing and flourishing. How and by whom city infrastructure systems and services are owned, controlled, managed, priced and governed determines who gets to say and decide what kinds

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2 United Nations Habitat (2016).
3 Peck and Whiteside (2016: 263).
4 Sen (1999).
of city infrastructure people get or not, how much they must pay for it, for how long and on what terms. How urban infrastructure is organised selectively includes and excludes certain social groups and geographies. Last, how city infrastructure is owned, run and paid for expresses the nature of the national political-economy, variegation of capitalism and the state’s settlement with its citizens and its commitment – or lack thereof – to the common weal of collective provision. Such contested political choices are disclosed in how cities are governed, who gets to decide what infrastructure is prioritised and built, where taxes go in funding national and local state expenditures, the relationships states have with businesses and markets, and what infrastructural systems and services are provided and in what forms.

Specifically, the motivation for this book lies in examining the emergence and impacts of contemporary forms of financialisation that are engaging the local state and its governance and infrastructure in new and socially and spatially uneven ways. The current episode of financialisation is marked by the increasing involvement and influence of financial actors, relations, rationales and practices on people, firms, states and other institutions, and places. Attracting sustained attention across social science and gaining prominence in the worlds of city infrastructure, financialisation has become the focus for complementary interests and shared tasks between financial geography and urban as well as regional political-economy. This is a common endeavour to which this book seeks to contribute. Given this focus and motivation, Financialising City Statecraft and Infrastructure aims, first, to investigate and better understand the engagements of financialisation with city governance and infrastructural provision. Second, it aims to identify the wider and longer-term implications of such financialisation for urban and regional development, politics and policy. A central argument is that better understanding of current financialisation is needed to explain contemporary city infrastructure and its governance.

The first aim is important economically and politically to help interpret and explain the extent, nature and forms that financialisation is taking in different geographical, temporal and institutional situations – and, crucially, to illuminate and account for where it is not taking place and
Financialising city statecraft and infrastructure has been limited, mediated and blocked. Given its embeddedness and pervasiveness, improved knowledge and understanding of financialisation are needed to provide deeper insight into how national and local state and financial actors are attempting to address the longstanding and enduring problem of urban infrastructure provision. To date, important work has illuminated and scrutinised the actors, relations, logics and tools involved in municipal government and infrastructure financialisation as well as the property rights, contractual responsibilities, physical assets and revenue streams subject to and resisting the process.

Substantive progress has been made, opening up fresh avenues for research and revealing gaps in our knowledge and understanding. Further critical and comparative interrogation is needed of the often bespoke packages of funding, financing and governing arrangements tailored by state, financial and hybrid actors for particular projects in geographically and institutionally variegated national political-economies and capitalisms. Work is required on the ways in which fiscal crisis and debt are compelling national and local states into new and reworked existing approaches and methods of infrastructure provision and, in turn, how financialisation is amplifying and aggravating such circumstances, especially over the longer term. Studies are only beginning to grasp how the unfolding process of financialisation reflects back on itself and the actors involved, co-evolving and shaping their agency and the level, character and pace of the process over time and space. Specifically, research “has yet to squarely engage with financialization across the relational scales of metropolitan governance or with the fiscal restructuring of the (local) state itself”.

Further scrutiny is required of the local state as both object and agent of financialisation. Of specific interest here, the term statecraft is being used increasingly to articulate forms of governance at the city, city-region, metropolitan and local scales as well as in non- or para-state spaces. But the idea needs much further work to clarify its definition, conceptual and theoretical grasp and explanatory worth.

The financialisation of city governance and infrastructure is proceeding in socially and spatially uneven ways. What we know has been revealed through work on vanguard sites such as Chicago and London, particular

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13 Peck and Whiteside (2016: 262).
15 See, for example, Kutz (2017), Lauermann (2016), Easterling (2014).
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national and city policies, and the international travels of specific funding, financing and governing instruments and practices. Relatively less attention has been given to the causal and constitutive role of geography in shaping how, where, when and with whom financialisation is occurring or not. More comparative studies are key with a wider geographical scope to encompass peripheral and struggling cities, their inter-relations with more globalised and prosperous cities and city-regions within nation states, and the ways in which different kinds of funding, financing and governing interact in and between places. Directly contributing to the book’s first aim of investigation and explanation, existing work will be built upon through theoretically informed empirical study to address key questions including: where and when is the financialisation of city governance and infrastructure occurring? What is being financialised and why? Which actors are involved? What are their motivations, goals, rationales, strategies and instruments? Where and when is financialisation being extended, deepened and accelerated, or constrained, contested and slowed?

The second aim of *Financialising City Statecraft and Infrastructure* is to draw out the broader and enduring ramifications of the engagements of financialisation with city governance and infrastructure for urban and regional development, politics and policy. Research to date has focused on specific financial models, projects, and city and regional scale planning and governance. It has revealed the uneven spread of financialisation, the balkanisation and fragmentation of metropolitan areas through the deployment of specific financial techniques and their geographical zoning, and the tensions between financial and wider public goals in city infrastructure ownership, organisation, planning and management. Studies have demonstrated the difficulties for urban development, politics and policies generated by asymmetrical and extractive relationships between states and private owners, increasing foreign ownership and control of essential infrastructure systems, and the enduring problems of privatisation and public–private partnerships.

While much has been learnt, less is known about the relations and implications of the financialisation of city governance and infrastructure for broader and longstanding national questions of political-economy, politics, policies and development for cities and regions within and

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17 See, for example, Davidson and Ward (2018), Peck (2014), Strickland (2016).
19 See, for example, Hildyard (2016), Meek (2014), Whiteside (2013), Whitfield (2010).
Financialising city statecraft and infrastructure across countries, although work has begun, however, to examine the growing articulations between city-region governance and geo-politics that impinge upon urban infrastructural provision and development.\textsuperscript{20} The ramifications of loss of ownership, control and revenue streams for fiscally constrained local states in austerity require further scrutiny. The magnification of fiscal crisis and indebtedness through new, riskier and more speculative funding and financing practices warrants more examination. Increasing dependence upon private and especially financial actors and the risks of local state capture need additional investigation. Indeed, while the integral role of intermediary institutions has been exposed in real estate,\textsuperscript{21} further study is needed of the industry of actors involved in advocating, formulating, promoting and selling services based upon specific infrastructure funding, financing and governing strategies, techniques and practices.\textsuperscript{22} The broader and longer-term implications of their strategic and practical advice for city governance and infrastructure have yet to be illuminated. We are only just beginning to scrutinise whether or not the local state’s capacities to design, develop, fund and finance integrated and sustainable systems of city infrastructure are being eroded amidst financialisation. The impacts of the acute localisation of infrastructural arrangements and disconnection from national systems and redistributive financial transfers deserve further scrutiny. Exactly which voices and interests are heard and accommodated in city infrastructure governance and prioritisation remain important political issues. Addressing the book’s second aim of discerning the wider and longer-term consequences of financialising city governance and infrastructure, important questions that will be examined comprise: how are the national, city and regional aims, priorities and narratives of state and financial actors for funding, financing and governing infrastructure being constructed, shaped and contested amidst financialisation? What are the implications of financialising city governance and infrastructure for systems and services provision across national territories? How are geographically uneven development and the prospects of cities and regions being affected by the emergent forms of city infrastructure and governance?

Financialising City Statecraft and Infrastructure engages the “persistent problem” of “urban infrastructure provision in developed nations.”\textsuperscript{23} Providing the “infrastructural preconditions” for urban activities in cities has become a “defining challenge” for local governments and their

\textsuperscript{20} Jonas and Moisio (2016), Kutz (2017).
\textsuperscript{21} Weber (2015).
\textsuperscript{22} See, for example, Kim (2016), Wellman and Spiller (2012).
\textsuperscript{23} O’Neill (2017: 32).
partners in the local state.\textsuperscript{24} Crucially, it is one that has increasingly exceeded the “capacities of growth–machine coalitions at the local scale” and their participant actors:

following an extended period of underinvestment, infrastructure deficits have become, simultaneously, a brake on urban development and a new source of private investment opportunities. Today’s urban managers are tasked with more than rebuilding the jobs and tax base; they must rebuild the city itself as well . . . Increasingly, urban fortunes are tied up with the management of infrastructure deficits, both physical and financial.\textsuperscript{25}

Many of such concerns are not wholly new, however. Collective provision of urban public goods has been an enduring issue for capitalist states historically.\textsuperscript{26} Adam Smith assigned the responsibility of infrastructure provision to the (national) sovereign, and considered the erection and maintenance of public works vital but beyond the capability of private capital.\textsuperscript{27} Variation, swings between public, private and hybrid investment and organisation as well as crises and innovations mark the evolution of city infrastructure and its governance across countries historically.\textsuperscript{28} Previous disjunctures of capital accumulation have been accompanied by private calls for the state to engage in counter-cyclical borrowing and expenditure for infrastructure investment to kick-start economic growth and recovery.\textsuperscript{29} Historic episodes of capitalist development have been marked by capital switching from productive investment as a source of profits into the built environment,\textsuperscript{30} searching for infrastructure rents through the capture of spatial, typically urban, service monopolies.\textsuperscript{31} Crisis narratives have been used historically by private and state interests to influence national and local decision-making to (re)focus public expenditure on infrastructure rather than alternative social and political claims on public revenues.\textsuperscript{32} Nonetheless, such longstanding concerns have come surging back to the fore in the current era and are manifest in new and reworked ways. It is timely and important in this contemporary conjuncture critically to address the enduring questions of who owns, runs and pays for city infrastructure.

\textsuperscript{24} Kirkpatrick and Smith (2011: 479).
\textsuperscript{25} Peck and Whiteside (2016: 243).
\textsuperscript{26} Jonas et al. (2010).
\textsuperscript{27} Smith (1976), O’Neill (2013).
\textsuperscript{28} Tarr (1984).
\textsuperscript{29} Harvey (2010).
\textsuperscript{30} Harvey (1978).
\textsuperscript{31} Dodson (2017: 90).
\textsuperscript{32} Weber (2002).
As a “critical case” and leader in new and experimental city infrastructure funding, financing and governing strategies and mechanisms with wider international importance and relevance, England in the UK is the empirical focus for addressing the book’s aims. It provides an appropriate lens through which to investigate and improve understanding of financialisation’s engagements with city governance and infrastructure and to identify its wider and longer-term consequences for development, politics and policies for cities and regions. Initially founding its conceptual and theoretical contributions and framework (Chapters 2 and 3), Financialising City Statecraft and Infrastructure is based upon original empirical research. It presents scrutiny of national and local government strategies and policies and financial actor participation (Chapter 4), City Deals (Chapter 5), approaches to commercialisation and public assets (Chapter 6), and the infrastructure fixes for the London global city-region and their inter-relations with cities and regions elsewhere in the UK (Chapter 7). The analysis explores and reveals the actors, relations, rationales, processes and practices involved in financialising city infrastructure and governance in England in the UK and distils their broader and enduring ramifications for the politics, policies and development of cities and regions. To set the empirical case of England and the UK in context, the following sections describe the contemporary international rise and crisis of city infrastructure before setting out the main arguments and organisation of the rest of the book.

1.2 THE RISE OF CITY INFRASTRUCTURE

Concrete, steel and fiber-optic cable are the essential building blocks of the economy. Infrastructure enables trade, powers businesses, connects workers to their jobs, creates opportunities for struggling communities and protects the nation from an increasingly unpredictable natural environment. From private investment in telecommunication systems, broadband networks, freight railroads, energy projects and pipelines, to publicly spending on transportation, water, buildings and parks, infrastructure is the backbone of a healthy economy.34

Interest in city infrastructure has grown substantively across the world since the 1990s. Hitherto, infrastructure was viewed as a somewhat functional, mundane and necessary but “previously sleepy . . . often taken-for-granted”35 and ultimately banal, dull and uneventful matter concerning

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34 Puentes (2015: 1).
35 Graham and Marvin (2001: 9).
“bridges n’ that”.36 Little attention attended prosaic things like concrete, electrical substations, pipes, rails, rolling stock and cables. Since the 1990s, however, concern with infrastructure has risen dramatically. A “global infrastructure turn” is evident as a globalising and digitalising economy and society with rising income levels, notwithstanding growing social and spatial inequalities within countries, have fuelled demand for infrastructure systems and services as “an essential part of everyday life that we want to be efficient and well maintained”.37 Such public and private demands for more widespread, integrated and sophisticated services have been configured and stoked by commercial providers seeking competitive innovations and systems capable of delivering higher value added, higher price and more profitable offerings, and long-term revenue streams of user payments to enable financial engineering.38

Such growing interest in infrastructure is demonstrated by the sustained frequency of its use as a search engine term in the public realm and dramatic rise as a topic for academic research (Figures 1.1 and 1.2). New infrastructural ideas, languages, discourses and future-oriented prospects have entered the wider lexicon. Articulated by various interests, they include cleaner energy, driverless cars, greener waste management, smart multimodal transport networks, and superfast broadband.39 Technological changes are described as disruptive of city infrastructures and their services, from new building materials to new software application-based platforms and charging models using artificial intelligence.40 Hopes and even promises of infrastructure solutions to formidable problems – such as sustaining economic growth and recovery following the 2008 crisis and Great Recession, climate change, demographic shifts, resource shortages, and social and spatial inequalities – are being expressed by various actors. As Richard Florida puts it: “infrastructure is certainly the topic du jour among politicians of all stripes”.41

Infrastructure, especially in cities, has become emblematic of the post-2008 crisis period: a compelling narrative and necessary touchstone of urban, local, regional and national development aspirations, hopes and prospects for public, private and civic interests across the world. The International Monetary Fund (IMF) has asked whether it is “time for an infrastructure push” to address “needs” and “bottlenecks” and raise

36 Dawson (2013: 1).
38 Whitfield (2010).
41 Florida (2017: 1).
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output in advanced and emerging countries in response to economic and demand weakness because “investment efficiency is high”, borrowing costs relatively low and debt-to-GDP ratios considered manageable. The OECD sees the need for “infrastructure investment . . . to be substantially increased in most developing and emerging economies to meet social needs and support more rapid economic growth”. Inter-governmental and international organisations have been busily producing networks, strategies, plans, programmes and foresight analyses on infrastructure such as the Group of 20’s (G20) Global Infrastructure Hub and Global Infrastructure Connectivity Alliance and the World Bank’s Global Infrastructure Forum.

Research organisations and think-tanks, such as The Brookings Institution in the US, see urban infrastructure investments as critical to address the “disruptive forces” of migration, demographic shifts, economic restructuring, technological change, income inequality and climate change.

Note: * Annual average interest over time score from 0–100 (0 = Insufficient data, 100 = most popular).

Source: Google Trends.

Figure 1.1 Popularity of infrastructure as a search term, 2004–17*

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42 International Monetary Fund (2014: 75).
43 OECD (2015: 5).
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change: “if cities are to grow in more sustainable ways, major interventions in the transport, buildings, and energy sectors will be necessary”. For increasingly large and densely developed urban agglomerations of economic and social activity across the world, city infrastructure is interpreted as necessary to provide enhanced connectivity, reduce spatial frictions and enable interactions and flows of people, data and information, energy, water and waste. Crucially, it is often the cities and their actors rather than their national governments that are framed as the key spatial scales and leads in organising the funding, financing and governing of such infrastructure.

Internationally, interests organised in trade associations in civil engineering, construction and, increasingly, finance are active too in framing and promoting infrastructure investment in outlets such as Informed Infrastructure, Infrastructure Intelligence, Infrastructure Investor and Infrastructure Today. Infrastructure is a recurrent topic for features and series in international business publications including The Economist, Forbes Asia, Fortune and Financial Times. Infrastructure has even made

Source: ISI Web of Knowledge.

Figure 1.2 Number of articles with infrastructure in their title, 1994–2017

44 Katz et al. (2017: 1).
45 Dodson (2017).
it into the popular press with The Daily Mirror in the UK proclaiming: “Buy a slice of history in the Great British sell-off as infrastructure is snapped up by foreign firms” and bemoaning that “most of what we rely on for our everyday lives is now out of our control”. Political cartoons have addressed infrastructure too, such as The Guardian’s Steve Bell’s lampoon of immigration and foreign investment in UK infrastructure (Figure 1.3).

Resulting from and fuelling this rising interest, city infrastructure is being loaded with expanding and rising ambitions, demands and expectations by national and local state, private sector, and social and civic actors. For national and local states, infrastructure has been ascendant as a potential fix for solving the puzzle of weak and/or declining productivity, stimulating economic recovery and growth, ushering in a new episode of modernisation and prosperity following the 2008 crisis, and addressing contemporary demographic, climatic and technological change. Such

46 Hiscott (2017: 1).
47 Legacy (2016).
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an expanding and widening role for infrastructure has been heightened
in the context of economic instability and the contemporary rise of
economic populism and nationalism, wherein the state’s neglect and
under-investment have been cited as contributing to the predicament of
the places left behind by economic shifts.48

Building upon conventional economic conceptions of public investment
in the capital stock, a weighty and growing body of evidence has been
assembled and wielded by actors to demonstrate the positive role of urban
infrastructure as a critical and complementary “enabling factor” for city
economies, societies and polities:49

Infrastructure is vital for economic growth and development; production in
modern societies and the provision of basic services such as education or health
would be impossible without reliable roads, water, sanitation, and electricity.
Infrastructure spurs growth by increasing productivity, reducing production
costs, facilitating the accumulation of human capital (through easier access
to educational opportunities), helping diversify the productive structure, and
creating employment.50

Yet, the level, nature and magnitude of infrastructure’s contributions to
urban, regional and, ultimately, national growth and development have
been questioned by mainstream economic analysis.51 David Aschauer’s
pioneering work found high rates of returns of between 70% and 100% on
public capital investment in infrastructure in the US.52 But this research
has since been critiqued for its lack of micro-foundations, reliance upon
expenditure measures, use of time series data, and neglect of the “reverse
causality” between income and infrastructure.53 From political-economic
perspectives, infrastructure is interpreted as a spatial fix of the geographi-
cal expansion of capital over space, attempts temporarily to overcome
the inherent crises of over-accumulation and contradictions of capitalist
urbanisation,54 and manifestations of state power constructing trans-
formative visions and projects.55

Given such differing frameworks and assessments, politicians and
officials internationally are reaching for the infrastructure fix. Much of
this endeavour is city focused given the increasingly urbanised nature

48 Rodrik (2017), Rodríguez-Pose (2018).
49 OECD (2015: 5). See also Bottini et al. (2017), Calderón et al. (2011).
50 Serebrisky et al. (2015: 7).
51 See, for example, Bourne and Zuluaga (2016), Gibbons et al. (2017), Glaeser (2016),
Gramlich (1994).
52 Aschauer (1989).
53 Henckel and McKibbin (2010: 3).
54 Hall and Jonas (2014).
55 Tomaney and Marques (2013).
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of international economy and society, and, in the global South, is unprecedented historically in its scale, scope and reach.\textsuperscript{56} Expenditure on infrastructure has become “the new zeitgeist of our age”.\textsuperscript{57} President Trump in the US is claiming to invest “$1tn over ten years” to “rebuild our infrastructure” and “put millions of our people to work as we rebuild it”.\textsuperscript{58} Trans-continental in its geographical extent, China’s Belt and Road Initiative comprises US$900 billion of planned investment across infrastructure sectors with the aim of boosting trade, growth, investor returns and global influence.\textsuperscript{59} The European Commission’s Investment Plan for Europe seeks to assemble a €500 billion fund by 2020, nearly 50\% of which is earmarked for infrastructure.\textsuperscript{60} The African Development Bank Group’s Programme for Infrastructure Development is seeking US$360 billion between 2011 and 2040 to improve “access to integrated regional and continental infrastructure networks and services” for socio-economic development and poverty reduction.\textsuperscript{61}

Marking the current conjuncture and infrastructural moment out from previous episodes, claims are being made by various actors that national and local states will be unable and/or unwilling solely to fund, finance and govern city infrastructures into the future. Such pressures are acute in states facing fiscal crises and high levels of indebtedness built up over the post-war period and accentuated following the 2008 crisis and pursuit of austerity.\textsuperscript{62} The OECD, for example, notes the:

widespread recognition that governments cannot afford to bridge these growing infrastructure gaps through tax revenues and aid alone, and that greater private investment in infrastructure is needed. Private sector participation in infrastructure can help reduce pressure on public finances and increase the portfolio of projects in the public sector investment programme. Governments can also benefit from private sector skills and reap cost and efficiency gains by delegating the construction and oftentimes the management of infrastructure projects to private investors.\textsuperscript{63}

For finance actors, infrastructure has become “an attractive investment opportunity in itself” and an “asset class”.\textsuperscript{64} Infrastructure’s transformation into a “frontline economic and investment sector” is because of the

\begin{itemize}
\item \textsuperscript{56} Inderst and Stewart (2014), Mohan and Tan-Mullins (2019).
\item \textsuperscript{57} Smith (2016: 1).
\item \textsuperscript{58} Quoted in Tomer \textit{et al}. (2017: 1).
\item \textsuperscript{59} Hancock (2017).
\item \textsuperscript{60} European Commission (2016).
\item \textsuperscript{61} African Development Bank Group (2017: 1).
\item \textsuperscript{62} Streeck (2016).
\item \textsuperscript{63} OECD (2015: 5).
\item \textsuperscript{64} OECD (2015: 5), Inderst (2010: 70).
\end{itemize}
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particular economic characteristics of certain sectors as critical, long-term and sometimes monopolistic assets with predictable revenue streams. For national and local states, clarifying and strengthening regulatory and institutional capacity and identifying business opportunities in a strategic and prioritised “pipeline” of “well-prepared projects” are critical to “developing infrastructure as an asset class to attract private investors” and transcending shorter-term political cycles and decision-making. Unevenly transforming from conventional public goods only the state can provide, infrastructure is being constructed and framed by finance actors as an asset providing services and revenue streams in an investment market with global reach. Huge investment potential is signalled by estimates such as McKinsey’s of the requirement for US$3.3 trillion to be invested annually in infrastructure to sustain global economic growth.

With the declining relative attractiveness of other asset classes such as bonds, commodities and equities, and sectors such as manufacturing in an era of slow economic growth and low interest rates, capital has been actively constructing and then switching into infrastructure as an investment category in search of higher, stronger and longer-term returns and yields. Investor interests talk about “a wall of money wanting to invest in infrastructure”. Private and other investors such as insurance, pension, private equity, and sovereign wealth funds are engaged in a global search for the projects that best match their aims for risk, return and maturity, primarily in less risky and more stable operating assets. Many of which are located in cities and city-regions in increasingly urban-centred economies with attractive future growth prospects.

Competition for the best available infrastructure investments has increased as more investors have entered the market, reducing target levels of return from an average of 14.0% in 2004 to 10.6% in 2016. Intense competition for “ready-made infrastructure investments” has bid up prices dramatically. London City airport, for example, was bought by Irish financier Dermot Desmond for £23.5 million in 1995 – about £44.4 million in 2017 prices – and purchased for £2 billion in 2016 by a Canadian-led pension fund consortium. Such investments are especially valuable in

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66 Serebriskiy et al. (2015: 22).
67 Thrower (2018).
69 Castree and Christophers (2015).
70 Andy Rose, Chief Executive, Global Infrastructure Investment Association quoted in Plimmer and Tetlow (2017: 1).
71 PwC (2018).
72 Williams and Rovnick (2016: 4).
cities, as “infrastructure has emerged as the latest urban development asset class”.\textsuperscript{73} International construction and engineering companies – such as Atkins, Bechtel and Bouygues – emphasise the rising strategic importance and value of integrated solutions to city infrastructure issues globally. Privately led, owned and/or managed infrastructure provision arrangements are articulated as ways of improving the objective basis of decision-making, circumventing politicised decision-making and electoral cycles through the establishment of longer-term contracts and introducing “professional” management expertise and commercial incentives.\textsuperscript{74}

For other social and civic actors, infrastructure is afforded a critical role. Labour interests are supportive of investments generating wider employment and urban and regional development benefits. Key are the adherence of infrastructure projects to economic, social and environmental governance, labour and procurement standards, and avoidance of private financing substituting for public funding and aiding privatisation.\textsuperscript{75} Wider civil society and social movements emphasise the need for engagement in the decision-making about the purpose and forms of city infrastructure for human wellbeing, its role in place-making, the social and spatial distribution of access, benefits and costs, and contributions to longer-term resilience and sustainability.\textsuperscript{76} This contemporary rise of city infrastructure has meant how it is owned, paid for and governed have become central and pressing questions of political-economy and public, private and state interest in urban and regional development, politics and policy internationally.

1.3 THE “CRISIS” OF CITY INFRASTRUCTURE?

The looming infrastructure crisis . . . financial, policy and political problems are hurting efforts to fix our infrastructure.\textsuperscript{77}

Intertwined with its international rise in attention for certain actors, city infrastructure is beset by a sense of disquiet, even “crisis”, “panic” and “urgency”.\textsuperscript{78} Symptoms are presented as manifold and widespread in cities across the world: congestion and gridlock; ageing and poor quality systems and services; crowded and dilapidated public transportation

\textsuperscript{73} Hebb and Sharma (2014: 498).
\textsuperscript{74} Detter and Fölster (2015).
\textsuperscript{75} International Transport Workers Federation (2015).
\textsuperscript{76} Worthington (2016).
\textsuperscript{77} Kettl (2010: 1).
\textsuperscript{78} Thompson (2017: 1), Legacy (2016: 35).
systems; breakdowns and failures; pollution and poor air quality; private provider withdrawal and collapse; socially and spatially uneven access and use; and public contestation and social protest.79

Diagnoses of crisis in such narratives are being articulated by various actors with particular interests. They have typically drawn upon the conventional economic definition of a public good as a market failure and good that no private actor would provide at any price. Claims have been made that national and local states have failed in their role, under-investing in the public goods that the state should be providing. Bemoaning “decades of under-investment”,80 the argument is that especially in the global North national states have been neglectful in not sufficiently or regularly updating, renewing and investing in infrastructure created, paid for and inherited from previous governments and generations of taxpayers. As the American Society of Civil Engineers (ASCE) President Blaine D. Leonard put it, in the US “we are still driving on Eisenhower’s roads and sending our kids to Roosevelt’s schools”.81 Across major economies internationally, public investment is described as “weak”, falling from its historical peaks and, in the UK’s case, lagging comparative economies since the mid-1990s (Figure 1.4).82

Under-investment is interpreted as a central cause of the inability of states to meet the seemingly insatiable and rising demands from individuals, businesses and governments for ever more sophisticated and sustainable city infrastructure systems and services. Perceived lack of investment underpins articulations by actors of the gaps, bottlenecks and backlogs generating constraints such as congestion, factor price inflation and pollution that impede especially geographically concentrated urban economic activities and growth. Moreover, as cities expand and evolve, the complexity and costs of city infrastructure development and renewal rises, propelled by increases in underlying land values and the costs of dealing with incumbent systems in densely urbanised areas.83 Cities and nations are cast as falling behind in global competition because of outdated, under-performing and failing infrastructure. International organisations such as the World Economic Forum (WEF) and consultancies such as Arcadis have devised bespoke methodologies to provide rankings of infrastructure quality between countries and cities (Tables 1.1 and 1.2). Such assessments have compelled comparison, competition, and emulation.

81 Quoted in Kettl (2010: 1).
82 Mourougane et al. (2016: 8).
83 Dawson et al. (2014).
Source: World Bank data.

Figure 1.4  Gross fixed capital formation by selected country, percentage of GDP, 1970–2016
To remedy such infrastructure shortfalls, gargantuan sums of investment have been calculated and expressed by various institutions across the world. The WEF asked “how can we bridge the $1tn infrastructure gap?”, based on its estimate of annual global requirements of $3.7 trillion.  

Table 1.1  World Economic Forum “Quality of overall infrastructure” ranking by country, 2012

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<tr>
<th>Rank</th>
<th>Country</th>
<th>Value</th>
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<tbody>
<tr>
<td>1</td>
<td>Switzerland</td>
<td>6.7</td>
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<tr>
<td>2</td>
<td>Singapore</td>
<td>6.6</td>
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<td>3</td>
<td>France</td>
<td>6.5</td>
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<td>Germany</td>
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<td>Sweden</td>
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<td>13</td>
<td>Japan</td>
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<td>Luxembourg</td>
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<td>Belgium</td>
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<td>18</td>
<td>Korea Republic</td>
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<td>19</td>
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<td>United States</td>
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<td>Taiwan, China</td>
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<td>Qatar</td>
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<td>United Kingdom</td>
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<td>Czech Republic</td>
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<td>30</td>
<td>Cyprus</td>
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Source: Adapted from World Economic Forum (2012: 412).
Financialising city statecraft and infrastructure

Table 1.2  Mercer's city infrastructure rankings, 2017

<table>
<thead>
<tr>
<th>Top ranked cities</th>
<th>Bottom ranked cities</th>
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</thead>
<tbody>
<tr>
<td>1  Singapore</td>
<td>222 Bamako, Mali</td>
</tr>
<tr>
<td>2  Frankfurt, Germany</td>
<td>223 Antananarivo, Madagascar</td>
</tr>
<tr>
<td>2  Munich, Germany</td>
<td>224 Damascus, Syria</td>
</tr>
<tr>
<td>4  Copenhagen, Denmark</td>
<td>224 N'Djamena, Chad</td>
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<tr>
<td>5  Düsseldorf, Germany</td>
<td>226 Bangui, Central African Republic</td>
</tr>
<tr>
<td>6  Hong Kong</td>
<td>227 Conakry, Guinea</td>
</tr>
<tr>
<td>6  London, UK</td>
<td>228 Brazzaville, Congo</td>
</tr>
<tr>
<td>8  Sydney, Australia</td>
<td>229 Sana’a, Republic of Yemen</td>
</tr>
<tr>
<td>9  Hamburg, Germany</td>
<td>230 Baghdad, Iraq</td>
</tr>
<tr>
<td>9  Vancouver, Canada</td>
<td>231 Port au Prince, Haiti</td>
</tr>
<tr>
<td>9  Zurich, Switzerland</td>
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</tbody>
</table>

Source: Adapted from Mercer (2017).

and current spend of $2.7 trillion. The OECD calculated that by 2030 the total global infrastructure “investment requirements” for transport, electricity generation, transmission and distribution, water and telecommunications will amount to US$71 trillion – the equivalent of around 3.5% of total annual global GDP between 2007 and 2030.\textsuperscript{85} A similar narrative exists within supra-national areas. The Asian Development Bank estimated a “$26tn infrastructure gap” up to 2030, requiring its 45 member countries to “double total annual spending to about $1.7tn” across sectors to sustain economic growth, reduce poverty, and address climate change.\textsuperscript{86} A “sizable infrastructure gap” is identified in Latin America and the Caribbean, resulting from low investment levels and

\textsuperscript{85} OECD (2015: 5).
\textsuperscript{86} Peel and Mitchell (2017: 1).
requiring commitments of about “5 per cent of GDP . . . for a prolonged period of time to close the gap”.87 Africa too confronts an “infrastructure deficit”, especially in energy and roads, requiring investment of $90 billion between 2013 and 2023 for new projects and maintenance.88

In certain countries, the same exhortations are being made. In the US, the ASCE publishes an annual “infrastructure report card” that delivered a “D – Poor, at risk” rating nationally for 2017 with state variations (Figure 1.5).89 The lament is of “decades of underinvestment” and how “deteriorating infrastructure is impeding our ability to compete in the thriving global economy” and fuelling perception of a “crisis in America” due to its “crumbling infrastructure”.90

Lack of capacity and expert capability and failure by governments and the private sector are afforded contributory roles in these articulations of infrastructure crisis. National, regional and local states are interpreted as

Note: * Alaska scored C-. No data for Hawaii.

Source: American Society of Civil Engineers.

Figure 1.5 American Society of Civil Engineers “Infrastructure report card” grade by state, 2017*

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87 Serebrisky et al. (2015: 7).
88 Banks (2013).
89 American Society of Civil Engineers (2017: 4).
90 Hornyak (2013: 1).
Financialising city statecraft and infrastructure

struggling and often unable effectively to prioritise, pay for, build, manage and run infrastructure, especially when coping with the heightened risks of constructing large-scale projects from scratch.\textsuperscript{91} Infrastructure horror stories are rife internationally, often circulated and amplified by business and private interests, involving national and especially sub-national and local governments in problematic project procurement, management and delivery of projects.\textsuperscript{92} Inefficiencies and maladies abound including: systematic under-investment; “cost blowouts, planning and construction delays . . . safety problems . . . lack of innovation and technological advance”; the building of “politically motivated white elephants”; inability simultaneously to manage construction, maintenance and operations; inappropriate pricing; poor appraisal and valuation; re-designs; rent seeking; stymied innovation, technological failures; and maintenance debacles.\textsuperscript{93}

National and local governments face criticism for their poor \textit{ex ante} appraisal, prioritisation and \textit{ex post} evaluation of infrastructure projects. Poor public decision-making is highlighted concerning what to invest the state’s limited capital on, which type of project, with whom, where, when, and for how long. Such problems are acute when looking beyond narrow economic yardsticks and exchange values to incorporate wider social and environmental dimensions and use values.\textsuperscript{94} As an example of state failure, publicly provided infrastructure mistakes are a commonly cited example of the private good, public bad narrative in neo-liberalism.\textsuperscript{95} Fiscal consolidation and austerity have rendered the mismatch of state capacity and responsibilities acute as governments impose funding reductions that severely constrain their capacity to invest and maintain infrastructure systems and services.\textsuperscript{96}

Private sector inadequacies and failures are part of the picture too. Privatisation, public–private partnerships and other forms of private sector involvement in infrastructure have generated negative impacts. The growing involvement of financial actors and framing of infrastructure as an asset class and market have raised concerns. Issues have included: higher costs of capital than that available to national governments; under-valuation and private acquisition and ownership of public assets; illusory risk transfer from the public to private sectors; opportunity costs for the public sector of revenue streams foregone; high contracting and transactions costs; asymmetric information and misalignment of incentives

\begin{flushright}
\textsuperscript{91} National Audit Office (NAO) (2016a).
\textsuperscript{92} See, for example, Rosenthal (2017), \textit{Edinburgh Evening News} (2017).
\textsuperscript{93} Henckel and McKibbin (2010: 5, 6), Detter and Fölster (2015).
\textsuperscript{95} Jessop (1998), Crouch (2004).
\textsuperscript{96} Whiteside (2018).
\end{flushright}
between states that “want cash to reduce their deficits” and private businesses that “want to earn a high rate of return”; commodification of public services; escalating service user charges; and extractive relationships between private capital, states and citizens.97

Given the articulation of crisis and needs for levels of investment national and local governments are unable and/or unwilling to provide, private sector interests have framed states as ineffective, too slow and/or reluctant in opening up public infrastructure to private capital participation and expertise.98 In their views, state authority, regulation and investment strategies have not been articulated, aligned and simplified sufficiently. Projects have not been packaged up on terms likely to be attractive to financial actor aims for appropriate returns, risks and maturity profiles. This inability and/or unwillingness by national and local governments to innovate and experiment with new forms of funding and financing are said to be creating and intensifying a “global infrastructure financing crisis”.99 The construction of new market spaces for infrastructure internationally has been socially and spatially uneven as a result.100

State restructuring and austerity in especially the global North following the 2008 crisis, Great Recession and uneven recovery has re-oriented national and municipal government priorities and their fiscal capacities have been limited by austerity.101 Fiscal consolidation focused upon public expenditure reductions and limited tax increases have seriously constrained public finances. Low levels and slow rates of growth have questioned how infrastructure can be paid for with little or no economic expansion and potential tax revenues to provide funding and pay for its financing. Simultaneously, low interest rates and a desire to stimulate economic growth has led some governments to increase borrowing for infrastructure investment.102 Despite concerns about its ability to better connect cities and regions for wider economic and social benefit and reduce geographical inequalities, rekindling and spreading out growth spatially through infrastructure investment is interpreted by some as central to projects aiming to reconnect the people and places left behind by economic change.103

98 Leys (2003).
100 Thrower (2018).
102 Streeck (2016).
103 The Economist (2017a).
1.4  THE ARGUMENTS AND ORGANISATION OF THE BOOK

The aims of Financialising City Statecraft and Infrastructure are, first, to scrutinise and better explain the engagements of financialisation with city governance and infrastructure and, second, to discern their broader and longer-term ramifications for urban and regional development, politics and policy in the UK and beyond. The first main argument and wider contribution of the book concerns how we think about financialisation and its relations with city infrastructure and its governance. Financialisation is understood and explained as a socially and spatially variegated process. It is designed, negotiated, contested, managed and regulated by multiple national and local state, quasi-state and financial actors, and it unfolds unevenly in particular geographical, temporal, political-economic and institutional settings. Crucially, rather than passive and inactive, these contexts are both causal and constitutive in shaping how, why, when, where and with whom the financialising process operates. And, crucially, these settings reveal where financialisation has not proceeded and where it has been frustrated, attenuated and thwarted. Inter-relations between the agency of the actors involved in these situations shape the reach and nature of whether and how the financialisation process unfurls. The introduction of the idea of city statecraft as the art of city government and management of state affairs and relations with multiple actors and their geographies provides a means of capturing and explaining financialisation as this socially and spatially variegated process and its shaping by the participating actors. This understanding challenges the sometimes overly totalising and aspatial notions of financialisation deployed as all-encompassing and catch-all explanations at the root of each and every change. Such accounts lack specificity on the relations, logics, processes and practices involved that mediate the unfolding of the financialising process in certain temporal, spatial and institutional circumstances.104 Financialisation cannot be meaningfully deployed as a conceptual and theoretical edifice designed to fill the gap where identification and explanation of actors, relations, rationalities, processes and geographies should sit. Such critical engagement with the financialising of city statecraft and infrastructure underpins a more grounded and measured conception of financialisation-in-motion that recognises its social, spatial and institutional constitution, unevenness, implications and limits.105

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104 Peck and Whiteside (2016).
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Directly addressing the “comparative neglect of the state as an arena and agent of financialization”, the second central argument and broader contribution of the book is in critically scrutinising and illuminating how national and local states have been subject to as well as led the financialising process. Neither the national or local state nor city infrastructure have become wholly and simply financialised by financial actors through some kind of abstract, external, remote and disembodied phenomenon. Instead, public, private and hybrid actors are being embroiled in a recursive process in which they are actively financialising and being financialised in their relations with other actors in socially, spatially and institutionally uneven ways. City statecraft offers a way to investigate and reveal how, where, when and why local states are engaging with financialisation or not. It enables examination of exactly how city governments are, as Rachel Weber puts it, “active agents” in the process of municipal financialisation. City statecraft illuminates how they are reacting and responding to the financialising relations, logics and structures with financial actors into which they are being drawn at the same time as demonstrating how they are actively searching for, (re)creating and (re)producing such connections, rationales and arrangements. Conceiving of the more active and open financialising of city statecraft and infrastructure allows closer scrutiny of the reach, pace and pervasiveness of the process in the current episode of financialisation and the identification of its characteristics and uneven unfolding in social, spatial and institutional terms.

The third and final argument and contribution of the book reveals and emphasises the close relations between financialising city statecraft and infrastructure with wider and longer-term questions of development, politics and policy in cities and regions in the UK and beyond. Financialising city infrastructure and governance does not happen in isolation in specific urban contexts: the process and experiences are related to and sit within their national and wider international political-economies. City statecraft entangled in funding, financing and governing urban infrastructures are integrally related and connected through the mixing of entrepreneurial, financialised and managerial practices, such that infrastructure fixes constructed for one city and/or city-region are intertwined with those elsewhere. The level, nature and form of such fixes condition and shape what can be done in other cities and regions in terms of their infrastructural development, politics and policies. National and local state and other actor narratives, strategies, rationales, practices and instruments are constructed and operate in a related web. Their combined effect can be to

106 Peck and Whiteside (2016: 237), emphasis added.
reinforce rather than reduce geographical inequalities in city infrastructure provision especially – as in England in the UK case – when a nationally important and globalised city-region dominates. The risks, uncertainties and commercial/economic focus introduced into city infrastructure and its governance through financialisation reproduce, entrench and heighten such spatially uneven outcomes.

Establishing the foundations of the main arguments and contributions, Chapter 2 – “Financialising city infrastructure and governance” – begins by defining and conceptualising city infrastructure and situating it within its historical and geographical context. The heterogeneity and particular economic characteristics and investment attributes of city infrastructure systems and services are described and related to how they are funded, financed and governed. The how, why, where, when and by whom city infrastructure is being financialised is then explained. Critical review of existing work on the financialisation of city infrastructure identifies key gaps and helps to construct a conception and theorisation that recognises its social, spatial and institutional composition, unevenness, ramifications and constraints. Key distinctions are drawn between municipal and public and commercial and private finance as well as funding (paying for the infrastructure over time) and financing (organising the capital investment in infrastructure and meeting its costs). Existing, tried-and-tested and new, emergent funding and financing instruments and practices are identified and described. The public, private and civic actors involved in city infrastructure are identified, highlighting their motivations, rationales, strategies and activities. Financialising city infrastructure governance is addressed next to reveal how city governments are subject to and agents of this process: engaging, coping with, reacting and adapting to financial actors driven by the “speculative energies and disciplinary logics of financial markets”. Critical review is provided of David Harvey’s classic conceptions and theories of entrepreneurial and managerial urban governance and their more recent variants. Urban managerialism is revisited to examine its continued relevance, especially in centralised states, and the mixing and mutating of city governance forms amidst financialisation are scrutinised. Frameworks of urban governance based upon archetypes and historical transformations are then questioned given their limited ability to interpret the current episode of blending and hybridising of governance forms in relation to city infrastructure. Characteristic and generalisable dimensions of financialisation are distilled to assist specification and explanation of the level, character and

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108 Kirkpatrick and Smith (2011: 482).
109 Harvey (1989a).
form of its engagements with city infrastructure and governance. Finally, a new framework for interpreting the financialising of city infrastructure and governance is outlined.

Chapter 3 – “Towards city statecraft” – introduces a distinctive and new theorisation to help understand and explain city governance and infrastructure based upon a geographical political-economy conception of city statecraft. Critical review of Jim Bulpitt’s original statecraft ideas and their recent take-up in local, regional and urban studies informs a fresh approach. It forges a more integrated geographical, political and economic understanding, opens up the sub-national level beyond the low politics of local government, and focuses on the agency of state actors across multiple geographical levels and units. City statecraft is defined as the art of government and management of state affairs and relations at the national and local levels within cities/city-regions, in central–local relations and with other para-state and non-state actors. This understanding draws upon and moves beyond the existing governance archetypes and transformation frameworks to explain how distinct governing forms, practices and arrangements – whether characterised as managerial, entrepreneurial and/or financialised – are mixed and mutated in city statecraft involving national and local state and other actors in certain temporal, spatial and institutional settings. The chapter finishes by explaining the geographical political-economy approach taken to researching financialising city statecraft and infrastructure. The research methodology, design, activities, methods and data as well as the analytical frameworks used to interpret the new and original empirical work undertaken are detailed. Situated in its international context, the critical case of England in the UK as an informative lens onto wider processes in an international setting is then explained and justified.

Chapter 4 – “City infrastructure provision and geographical inequalities in the UK’s centralised state” – engages the empirical case and explains the evolution of approaches to city infrastructure funding, financing and governing in the particular political-economy, variegation of capitalism and geographically uneven development of the UK. It outlines the construction of the distinctive UK version of the “modern infrastructural ideal” within its highly centralised, top-down and national framework of urban managerialism, Keynesian welfarism and spatial Keynesianism. In this period, city statecraft for funding, financing and governing urban infrastructure was largely national state led, managed and delivered using revenues from general taxation and additional borrowing. Local government

\[110\] Bulpitt (1983).
had a circumscribed role in delivery and management within a nationally focused and highly centralised state. The fragmentation of city infrastructure provision under the socially and spatially uneven “splintering urbanism” is explained in relation to urban entrepreneurialism, liberalisation, privatisation and financialisation. Uneven shifts towards privatisation, public–private partnership and engagement with financial actors for city infrastructure mark this period. How local government was further side-lined through national centralisation and the establishment of the “quango state” of new centrally directed local institutions is explained. The ways in which financialisation is evident in geographically, temporally and institutionally differentiated ways are outlined, proceeding furthest for the most readily monetisable and investable assets, sectors and places. The financialising process is shaped by the city statecraft of national and local government alongside financial actors and mediated by the UK’s highly centralised and risk-averse governance systems and institutional structures through which it operates. City infrastructure provision from 2010 is then described. Explanation is provided for the current episode of financialisation, financial crisis since 2008, national and city prioritisation of infrastructure as a focus for economic recovery, growth and modernisation, and national and local state restructuring involving austerity, limited decentralisation and the new informal governance of deal-making and deals. Last, the geographies of recent infrastructure investment are set out, marked by a spatially skewed national and London global city-region narrative and uneven patchwork of collective provision.

Chapter 5 – “Deal or no deal? Austerity, decentralisation and the City Deals” – zooms in on a recent public policy innovation recasting governance relations between national, local and financial actors for infrastructure funding and financing. It details the first national study of the ongoing City Deals introduced in over 30 cities and city-regions across the UK from 2011. City Deals are a new form of urban governance and infrastructure investment based upon negotiated central–local government agreements on decentralised powers, responsibilities and resources. The chapter begins by explaining their origins, anatomy and roll-out. It then explains how, through its managerialist institutions and conservative, risk-averse administrative culture and “official mind”, the highly centralised UK state has exerted continued authority and constrained the financialising of city statecraft and infrastructure in the City Deals. The chapter then demonstrates how in this tightly circumscribed setting

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City statecraft has been mixing entrepreneurial and financialised kinds of governance with established managerial practices and institutional forms. Chapter 6 – “Sell, hold or buy? Privatising, managing, owning and acquiring city infrastructure assets” – focuses on how local governments are dealing with public assets in the context of the UK government’s unprecedented expenditure reductions and revenue squeeze in austerity and incremental fiscal decentralisation. Situated in international debates about public asset ownership, management, governance and privatisation, this chapter explains how financialisation, decentralisation and austerity are compelling national and local state actors into more business-like, commercial and enterprising statecraft engaged in an ongoing and pressing search to generate new capital and revenue resources. It shows how this uneven financialising of city statecraft has opened up channels for the entry and influence of financial actors with new relations, market incentives and financial practices. Yet, city government agency is revealed to be provoking national government and financial actor concerns about risk taking, speculation and competition for assets using relatively low interest rate funds from the Public Works Loan Board (PWLB) backed by the UK sovereign balance sheet. Given such pressures, the chapter reveals how city statecraft involves a socially and spatially uneven range of strategies, rationales, asset definitions, institutional models and practices. Mixing managerialism, entrepreneurialism and financialism, city statecraft is wrestling with the speculative leverage as well as long-term ownership and management of urban infrastructure assets in UK cities. Uneven geographies of public wealth are the result.

Chapter 7 – “Fixing urban infrastructure in the London global city-region, undermining the rest of the UK?” – investigates the relations between funding, financing and governing infrastructure in cities and regions across the UK and their wider development, political and policy implications. It explains the London global city-region’s political-economic dominance and integral role in generating and reproducing geographical inequalities in city infrastructure provision in the UK. The analysis details how a spatially skewed national infrastructure narrative and imperative have been constructed and articulated by national and London city-region state actors and financial interests. This city-region statecraft prioritises the infrastructure needs of the London global city-region as the main engine of national economic growth and tax revenue generation. The chapter accounts for how the infrastructure fixes constructed by international, national and city actors are mixing entrepreneurialism, financialism and

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managerialism in attempts to at least temporarily resolve constraints on growth given the London global city-region’s national political-economic weight and dynamism. It details how the resulting scale and increasing cost burden bearing down upon the UK and city-regional state and markedly uneven national distribution of public resources risks undermining the national state’s aims and ambitions for spatial rebalancing. Other cities in the UK face intense financial constraints under austerity with limited decentralised powers and resources to address their city infrastructure needs, fuelling the geographical inequalities in city infrastructure across the UK, while the national state is primarily focused upon the London global city-region.

Chapter 8 – “Conclusions” – first reiterates the context, motivation and aims of the book. It then articulates and expands the main arguments and conceptual, theoretical and empirical contributions. Each one builds upon the central contention of the need to better understand contemporary financialisation to explain city infrastructure and its funding, financing and governing. Next, the chapter addresses the politics of financialising city statecraft and infrastructure, focusing upon the political-economic accommodations, uneven investment geographies and rewired and rescaled accountabilities of the financialising local state. Last, the book reflects upon the normative and political questions of what kind of city statecraft and infrastructure and for whom? Considering whether city infrastructure is being owned, paid for and run for the good of people and places or other interests, it addresses the shifting context and potential of a people-oriented perspective and de-financialised and alternative, collective and sustainable ways of funding, financing and governing urban infrastructure.