

Re-thinking the relations between planning, state and market in unstable times

Patsy Healey

School of Architecture, Planning and Landscape, Newcastle University

For the past decade, analysts of urban and regional development dynamics in Western Europe have been emphasizing how established arrangements for promoting and governing territorial/place development have been destabilised. The literature refers to fragmented versus integrated governance activity; multi-level governance versus hierarchical government systems; disjunctions between functional and cultural conceptions of place and administrative boundaries; diffuse and conflicting conceptions of place and spatial connectivity versus cohesive, integrated conceptions. The result has been analysed as a governance landscape of institutional complexity, mirroring the complexity of the relations which transect, intersect and clash in urbanised areas. Research into governance processes shows that some localities seem overwhelmed by this complexity and instability, unable to generate sufficient energy and cohesion to create coalitions with the capacity to become pro-active in shaping place futures. In other localities, in contrast, considerable governance (civic) capacity has evolved, through which responses to unstable conditions have been characterised by innovative experimentation, leading in some cases to transformations in governance cultures and practices. Research inquiry has begun to show how and why some localities have greater ability to become pro-active sites of governance activity, with the capacity to 'act for themselves', transforming themselves in doing so.

Such research has drawn on concepts which emphasise the mobilisation of actors and networks, the use of arenas and discourses, the formation of 'regimes' and the relation between agency and structuring dynamics. With a keen eye for contingencies and local specificities, analysts have either been cautious about over-generalisation, or have found that generalisations become unstuck when they hit the ground of diverse experiences. Just as grand narrative explanations can crowd out the recognition of significant local contingencies, so an over-emphasis on uncovering the specificities of development pathways can neglect the role of widespread structuring systems in shaping these specificities.

The collapse of the global capitalist financial system from 2007 and its consequences for economic activity and public sector finance has brought the importance of structuring systems back into the forefront of attention. In particular, it has highlighted the social institutions necessary for 'markets' of various kinds to be constructed. It has underlined the role of government regulations and practices in reducing the risk and uncertainty which undermines market activity. Just as in late 1980s Britain, the celebration of the innovative property entrepreneur helped to create a steep boom/bust phenomenon, so has the celebration of the clever financial innovator come to haunt the global banking system. The role of state regulation in creating and shaping markets is back in fashion.

It is often argued that planning activity merely reflects market dynamics, or the interests of powerful players in land and property markets. Yet research inquiry also shows that planning institutions, strategies and practices have had a role in shaping such markets. I have argued in the past¹ that, as a planning research community, we should look more closely at this shaping role, in its activity and its potential. In this short presentation, I will expand on the contribution planning activity can make to market shaping and what it might take to build and sustain the governance capacity, through a market shaping role, to promote more liveable and sustainable daily life environments for the many, not just the few. I will consider in particular how such a role can be developed in a situation where public and private sector resources for major public projects, and for the management and maintenance of public services and infrastructures are likely to be greatly reduced, while the pressures to promote any business and development activity may be great. I will also suggest research inquiry which could be helpful to meet this challenge.

¹ Healey, P. (1992) The reorganization of state and market in planning. *Urban Studies*, **29**, 411-434; Healey, P. (1992) Development plans and markets. *Planning Practice and Research*, **7**, 13-20.