



SHINING EXAMPLE: A satellite photograph of East Manchester, with the new games stadium at the centre

# Manchester!

## New Labour's favourite city

**Under normal circumstances, any city with Manchester's levels of child poverty and social inequality might be considered a problem in urgent need of attention. In fact, since the 1996 IRA bombing the city has been at the forefront of this government's urban agenda, earning high praise from the party hierarchy and business groups. Jack Ray asks what business-led regeneration has done for Manchester's working class...**

**I**N September 2006 Manchester held its first Labour Party Conference since 1917. Whilst around 40,000 protesters marched outside, speaker after high-profile speaker rose to the platform to herald what the party had done for the city.

Ten years after the IRA bombed the heart out of the commercial centre, they pointed to the redevelopment of the bomb site as just one of many triumphs in the transformation from a decaying post-industrial wasteland into an internationally acclaimed modern city.

As then Prime Minister Tony Blair told local newspaper the MEN, "the reason we chose Manchester is because it's very much a symbol of a regenerating city," continuing "I think if you take Manchester and look at the way business has grown over the past few years, it's been a huge success story."

He concluded that "what is happening around Manchester is remarkable, and it is a tribute frankly, to local government and the public sector and private sector working together. We can be very proud of it."

For Blair, with his ideological commitment

to the notion that social development derived from economic growth, Manchester was the archetype, a city devastated by Thatcherism, physically destroyed by the IRA, coming back to life in the shiny new "Millennium Quarter" with its Manchester Eye and high-class shops.

His successor Gordon Brown went further in praising the city's development, opening his keynote address by saying, "If anyone is in any doubt the difference almost 10 years of Labour government has made, let





them come here to Manchester. And let us congratulate business, commerce and local government.

"From the tragedy of the bombing of the city centre Manchester's renewal has created thousands of new jobs, new businesses and new confidence.

"And I am proud, this is not just an achievement of Manchester this is an achievement of Labour Manchester."

The local Labour Party's website boasts of the wealthiest city in the region and 100,000 new jobs created by what they describe as 'the best performing council in the country'.

This kind of triumphalism about the Manchester miracle is not restricted to those who might be expected to praise their own work.

The idea of the city as a success story is mirrored in praise from the business community. Global real estate firm Cushman & Wakefield in its 2007 survey promoted Manchester to the second best place in the country to do business, just behind the capital.

development of a shiny new commercial centre to provide retail therapy for an urban professional elite moving into the new-build apartments springing-up in the city centre and across residential areas affected by the development agencies.

The flip side is that Manchester, held up as a model for other decaying cities to follow, now has some of the worst social problems in the country, ranging from low educational attainment to teen pregnancy, all derived from some of the worst child poverty in the country.

The statistics on post-miracle Manchester, the richest city in the region, are damning. The government's own Office of National Statistics placed the area third in its "Index of Multiple Deprivation," which measures problems including unemployment, health and housing.

Manchester could be found below the national average on most of their measures, people were less likely to own their own homes (only 41.1%), more likely to give birth to underweight children (a sign of poor

only the ninth biggest population in the country, Manchester boasted three of the twenty worst council wards for child poverty. Moss Side led the way with 62% of children suffering (the 7th poorest in the country), with Hulme (site of a multitude of new housing developments) and Harpurhey also featuring (Blackfriars, in neighbouring Salford, was also high on the list).

The government responded to these revelations with a mixture of blame-shifting and complacency, MP Tony Lloyd declaring "Manchester Central has long been one of the poorest parts of Britain. In the Seventies and Eighties, the area was devastated by unemployment and child poverty has come out of this." He went on to cite the billions the government had already spent trying to tackle child poverty.

Later in the year another report delved deeper into the other side of Manchester, far away from the new developments in Castlefield and the centre.

The Tory think-tank the Centre for Social Justice found that social breakdown in the city outstripped any other city in the country, talking of "a disturbing picture of educational failure, high levels of youth crime and unemployment, widespread family breakdown and severe alcohol abuse."

Manchester was near the bottom of tables on school achievement, truancy, university admission, kids were more likely to pick up an ASBO, become pregnant at a young age or be admitted to hospital due to alcohol abuse. Nearly a quarter of the city's working age population was out of work.

There are all the signs of major urban decay and mass poverty here, even after years of investment that the political and business classes, both local and national, regarded as productive.

The sheer extent of the poverty in Manchester, in amongst its oft-boasted prosperity, is in itself remarkable. What's most astonishing though is the determination of national politicians to use it as a model for successful regeneration projects.

The reality of the city's poverty escapes the policy-makers who continue to argue, against all the evidence, that the council, the government and business leaders have combined to create something to be admired and replicated.

Central to this very active self-delusion is the sheer quantity of wealth pouring into the city, with the local party boasting of £5bn inward investment over the last five years and the papers constantly full of gushing praise for local business successes.

The area has now become a massive hub for financial services, with the sector accounting for 28% of employment in the city. The building boom has seen new apartment blocks go up around the city, heavily concentrated in the commercial centre.

In 1991, just 1,000 people lived there, a figure that is expected to reach 20,000 by 2010.

These developments, converted Victorian factories and warehouses converted into stylish apartments populated by young professionals, lawyers, bankers, give the city centre a feeling of massive affluence that disappears as soon as you venture out into the more densely populated parts of the city.

Elsewhere Manchester's new wealth flows out of the city, to commuters living in leafy Cheshire, or the more affluent parts of



**REBUILDING:** Investment is turning old industrial centres in Manchester into new luxurious apartments. But but poverty is ever present behind the gloss. Right of page, the 1996 explosion in central Manchester proved a catalyst for change

The survey noted that Manchester was now the best city for new headquarters and back offices, as well as having the best availability of office space and car parking.

Crucially it dubbed the "City doing the most to improve itself." New East Manchester, the urban regeneration company charged with improving one of the most run-down parts of the city, even received the first "regeneration agency of the year" at the industry's first annual awards evening, credited with providing a massive increase in jobs, housing, business development and transport infrastructure.

Yet however much Manchester's rapidly expanding new rich, the local press and the Labour Party may try to talk up the regeneration miracle, all this wealth does not seem to have pulled many people out of poverty.

In fact, when looked at in terms of social development rather than business growth the city's recovery from de-industrialisation and terrorism becomes a mirage, the

nutrition and ultimately poverty) and suffered from lower life expectancy. All of which are common problems in urban areas in modern Britain.

In another survey, conducted in January 2007 by the charities Save the Children and the Joseph Rowntree Foundation, Manchester's extensive child poverty was exposed; more than half the city's children lived in poverty (a figure slightly down on earlier in the year), being dependent on state benefits.

Broken down the figures made even grimmer reading. When the more affluent parts of South Manchester (Didsbury, Chorlton) were taken out of the reckoning, the poorest parliamentary constituency in the country was right at the heart of the regeneration; Manchester Central.

This poverty encompassed massively different areas, from the racially diverse Moss Side, to the predominantly white Bradford and Miles Platting.

In terms of council wards, despite having



Lancashire.

The new money is flowing to the new rich and not to the working class majority, and appropriately for New Labour's favourite city, this is reflected in Greater Manchester being the most unequal region in the country, with massive disparities between the wage and employment levels in different local authorities (Stockport Council being the strongest with Manchester City the weakest).

With the city's very core on the up and the wealthy living outside the city, the plight of the rest of the population can be factored out of the success story, with the people writing it experiencing a very different Manchester from the rest of us.

Beyond this self-congratulation of the city's boosters, the broader point about Manchester is that it epitomises New Labour logic.

The council isn't Tory, it isn't comprised of people who don't care about poverty, it's just made-up of people who are ideologically committed to the idea that poverty is best combated not through investing directly in better services for people, actually giving people more resources to have better lives, but instead through encouraging socially responsible economic growth.

Everything that constitutes "development" in Manchester involves creating projects primarily aimed at making profits with the hope that poverty reduction will be a side affect.

New East Manchester, the award-winning regeneration agency, is a case in point. Within its remit of creating jobs, building new housing and securing new investment, it is very successful agency.

Six years into the ten to fifteen year project it could claim to have built over 3,000 homes and improved 2,000 social housing units (largely through a stock transfer to Eastland Homes), as well as providing more than 3,000 jobs, an increase of 7.8%.

But the regeneration effort originated from a truly massive investment, the Commonwealth Games Stadium, which led to a £570m regeneration grant and £18m annual tourist revenue.

In addition to the stadium, the area now boasted the Sportcity complex, as well as a giant Asda-Walmart. Of course this kind of cash provided jobs, of course it led to new homes being built.

Yet the project didn't evaluate what sort of jobs were being created, if they were of similar quality to engineering work that the area had been built on.

Residents, although the project gave them the feeling that the area was doing well, expressed concern from the outset that new build housing would be too expensive for locals, precisely the pattern that had led to the gentrification of Hulme.

You can't help but feel that the side effects of all this investment get felt as a drop in the ocean, that of the 100,000 jobs created in the

last ten years (replacing the 50,000 lost over the 1980s), a small proportion are very highly paid and the remainder are not nearly so lucrative as the skilled manual work they replaced, particularly with retail being the third biggest employer and construction not far behind.

Round the corner from Eastlands Stadium you can still find plenty of grim looking streets. Recently the Manchester boosters were outraged when the government cancelled the planned supercasino, apparently on the grounds that the area still needed yet more cash throwing at it, yet more business investment being thrown in to finally sort the area.

The worrying thing about Manchester's regeneration is that when New Labour argues that it's been a success, they might be right.

Within their limited concept of urban development, Manchester is a successful council – it encourages inward investment, it gets private and public sectors working effectively in harmony.

It has on occasion even made developers deliberately target some of the poorest people in the worst affected communities for special help, through their hiring policies and through building affordable housing.

The limits to what this process can achieve derive from the ideas underpinning it, the vary nature of it, not from the malevolence or the skill of those implementing it.

This obsession of urban development as being primarily about economic growth, and only tangentially about poverty reduction, will ultimately lead to a lot of wasted money and a lot of impatient, impoverished, decaying communities.

If business is allowed to lead regeneration, only pausing to "consult" local residents, it will ultimately do so in their own interests (a recent developer boasted that thorough consultation had concluded that residents wanted "traditional materials and design", presumably that was the kind of scope the consultation took in) and not in the interests of the rest of the population.

The ideological preoccupations have created a situation where massive, government-subsidised investment pours down the drain, making a minority rich, expanding social inequality, providing not the high-skill, high-paid jobs promised in their 'knowledge economy' but low-paid retail jobs.

New flats spring up across the city, whilst the waiting lists for council housing continues to rise to alarming levels, with open spaces turned over to private developers and existing stock transferred to housing associations.

Old Manchester is left to rot until large portions of it are turned over to the developers, ready to reap a profit from the new rich.

By Jack Ray



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