

# **Resourceful Cities**

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## **Towards post-political in-between Cities?**

### **Urban Governance Arrangements in the Metropolitan Region of Zurich**

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The Zurich metropolitan region is Switzerland's largest urban area considering the number of inhabitants (two million) as well as economic indicators (Kuster and Meier, 2008: 7-9; Metropolitankonferenz Zürich, 2013). Administratively the area is fragmented into eight cantons and 220 municipalities and both spatial scales are very autonomous in highly federalist Switzerland. The unifying point, however, is the further growing economy in this area. The city of Zurich is an established global centre for the finance industry, especially the banking and insurance businesses). At the same time Zurich is regularly ranked among the top in city rankings and is classified as a 'global city'. The economic growth and the 'high living-standard' implicate an accretion of accommodation demand, which is increasingly led by the wealthy classes. There is also an accretion of office space demand outside of the city of Zurich. Although economic power still accumulates in the city, the surrounding region becomes urbanised and financialised so quickly that once peripheral areas are transformed into parts of a wider city. This expansion exerts such immense pressure on spatial development that ex-urban configurations no longer can be referred to as 'peripheral' in a classical meaning.

Two of the most extreme examples concerning this spatial development pressure are the urban configurations Zurich North and Ausserschwyz. These emerging, new cities resemble neither the 'conventional' city, nor are they territorially unified. However, they face the same pressures of huge rising housing prices, the capital's search for new investments and increasing mobility challenging the existing infrastructure. Both show strong processes of commodification and privileging of space. The question of displacement, of taking part – the urban question – becomes most urgent.

This paper gives – as short as possible – a diachronic and synchronic comparison of the two configurations Zurich North and Ausserschwyz. To understand their current production of space and the urban transformations, a historical retrospection is needed. From this retrospection the current governance arrangement becomes apparent. The urbanisation processes are analysed with a two-sided focus: On the one hand, a synchronic analysis reveals interdependences and variations of different urban configurations. On the other hand, a diachronic analysis specifies historical path-dependencies, showing how the history remains present and influences future developments. The questions I try to answer are: how can the

dominant governance arrangements be described? Who profits, who loses? Are these configurations transforming into post-political cities? If yes, is the post-political condition particularly characteristic of 'more peripheral' urban configurations? Empirically, the paper is mainly based on document analysis and expert interviews.

### **Brave new city Zurich North<sup>1</sup>**

In a metropolitan perspective, the former 'urban periphery' Zurich North lies centrally between the inner city of Zurich and the airport. Parts of this urban configuration belong to the city of Zurich, parts to four independent municipalities. This area has been industrialised since the 1850s. Under 'Red Zurich' between 'World War I' and 1950 social housing was built and separated from the outlying areas by a green belt. As a result, a clear spatial border manifests itself right across Zurich North, which is still present today.

#### *1950 - 1975: Suburbanisation, Polycentralisation*

Pushed by mass-motorisation, Zurich North has been suburbanised during Fordism. New centralities were established with the construction of the airport and a huge regional shopping mall.

#### *1975 - 2003: Globalisation, Financialisation*

Because in the city of Zurich struggles about 'the urban' emerge which conserve inner city neighbourhoods, a headquarter economy<sup>2</sup> was established in Zurich North where land prices and tax rates are lower. At the beginning of the 1990s, the severely overburdened road network began to massively curtail urban development. Four municipal mayors began to meet periodically in a "casual coalition (...) without any sort of bylaws, so one wouldn't waste any time"<sup>3</sup>.

#### *2003 - present: Cross-border Planning, Production of the Urban*

The result of these non-public discussions was a new tramline that connects the airport with the new urban developments and the city of Zurich. The tram project turned out to not only produce a new, more connected, more 'urban' space, but also

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<sup>1</sup> For current, deeper analysis of Zurich North see Nüssli and Schmid, 2013.

<sup>2</sup> Among them the European headquarter of General Motors, at the time the world's largest company.

<sup>3</sup> Citation from an expert interview.

to give way to a new governance arrangement. Thus, I focus on this project for further analysis, as it clearly is the most formative over the last years. By introducing the tramline into the cantonal structure plan and by founding a new public transportation company the idea became formalised. In 2003 a cantonal public vote allowed a credit of 555 Million Swiss Francs. By the end of 2010, the whole tramline was operating. Also the informal meeting formalised in a new association called *glow*, embracing eight mayors – without the city of Zurich – to promote the "quality of life and the economic potential" of the area.

Beside the contradictory processes of formalisation and informalisation, expertisation and co-optation can be observed in order to reach the goal of more 'urban qualities' in Zurich North. The most telling example is possibly the task force of each municipality (primarily municipal representatives and planners) accompanying the planning process. These groups became so important that, in fact, the municipal councillors only voted for a proposal when their respective expert group did so as well. In order to achieve the necessary consent, issues were discussed in extensive meetings until each expert group supported the proposals. When one expert group raised any doubts, further examination by the engineers was carried out until it appeared that the best solution had been found.

Today, Zurich North is an urban configuration, which is part of the extended city of Zurich and where governance actors try to produce urban qualities through urban design and architecture. Rents are lower than in the inner city but high for low-income groups. Except in the northern districts of the city of Zurich, there is very little social housing in Zurich North. In summary, the governance arrangement in Zurich North can be described as a state-led, coordinative, expert arrangement with strong ambitions to create an urban image. The actual processes seem to de-politicise urban politics as groups in opposition to current urbanisation disappeared though there were several active in the 1980s and 1990s. This seems at least partly to be caused by the new governance arrangement, which also invited critical voices to meetings and thereby made them mute. The planners recognised 'participation' as a means for smoother and faster realisation. Zurich North seems to be a specific form of a post-political city where governance arrangements produce a "particular imagination of the urban in line with the demands, dreams, and aspirations of the

included, while marginalised or otherwise excluded groups remain symptomatically absent” (Swyngedouw et al., 2004: 214).

### **Ego City Ausserschwyz**

To understand Ausserschwyz one needs to go back as far as the Middle Ages. The configuration used to be the 'servant land' of the monastery Einsiedeln (today Switzerland's catholic centre). During medieval times, Ausserschwyz was a place of battles between the canton Schwyz and the canton Zurich. Its geographical border position between the heartland of canton Schwyz and the canton Zurich was highly significant as political and religious (catholic vs. protestant) differences clash here. Corporations rose in the Medieval times. As the government system was not built yet, corporations took care of cooperative water, forest and common land use. The monastery did not abandon its lordship until the beginning of the 19th century but kept most of the land. From this point in time Ausserschwyz belonged to canton Schwyz. In Ausserschwyz corporations survive until today. Though by the end of the 19th century several train tracks are built and a few factories established, Ausserschwyz remained mainly agrarian until the end of 1960s.

#### *1968 - 1984: Suburbanisation, Neofeudalisation*

This changed dramatically with the opening of the motorway in 1968. House and office building were massively intensified. The centre of Ausserschwyz was then and is still the municipality Freienbach. Since it is not only the centre, but also most paradigmatic for the region, I will focus on this municipality for further analysis. Four years after the opening of the motorway, Freienbach approved a land use plan with a large building zone. Most of this zone belonged to the corporation Pfäffikon, a smaller but still substantial part to the monastery. As both are important landowners, they were included in the planning process and are so still today (Greuter, 2007: 45). Because of the earlier (and current) cooperative function, the corporation holds a great amount of land. In the negotiations, which lasted for ten years for the construction of the motorway and the land use plan, the corporation was able to enforce most of its demands (as much land in the building zone as possible and liberal building laws). The negotiations resulted in a 4-million Swiss Frank payment of compensation, as well as land gains of 28 hectares (Stadler-Planzer/Stadler,

2008: 343). As the result of the planning process, the corporation's power is expanded. Hence, the (informal) relation between the corporation and the public authorities manifested themselves. At that time, a former president of the corporation was a member of the cantonal council and most years till date there was also one person who was a member of the municipal council. Furthermore, informal relationships exist to the municipal administration.<sup>4</sup>

With the construction of the motorway the demand for building land also rose among the members of the corporation. (Stadler-Planzer/Stadler, 2008: 334). They started to build houses and sell them to non-members.

### *1984 - present: Neoliberalisation, Financialisation, Privileging of Space*

A second essential change occurred 1984. With a new financial councillor, the canton Schwyz started politics of tax reduction. In Ausserschwyz, Freienbach, Wollerau and later also Feusisberg became Switzerland's most tax-privileged municipalities. The countrywide lowest tax rates not only attracted wealthy people, such as sport stars and CEOs of leading global companies, but also specific economies – today, Ausserschwyz is one of the world's largest hedge fund centres, clearly profiting from its proximity to the financial, as well as the urban, centre of Zurich and the airport. In a booklet, the municipality Freienbach calls itself "tax haven" (Gemeinde Freienbach, 1997: 2), advertises the twice lower tax rates for middle incomes compared to the canton Zurich and acknowledges: "Freienbach owes a great part of its wealth to the economy. Therefore, we commit ourselves to cooperate with the economy in non-bureaucratic and goal-oriented ways." (ibid.: 16). Further, it also praises the corporation for its dedicated promotion of economic development.

In 1991 the corporation installed a new president who pushed the financialisation of the corporation. "Thanks to the exemplary land policies"<sup>5</sup> the corporation was able to pay a special payout to all members of 40'000 Swiss Francs in 2004. Also the annual payout constantly rises – even though the number of members doubled in 1992 as the corporation was legally obligated to also accept women. In 2000, the annual payout in the richest Swiss corporation amounted to 8000 Swiss Francs and with 900'000 taxable amount, the corporation belongs to the most important

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<sup>4</sup> Source: expert interview

<sup>5</sup> Citation of the president of corporation (Tages-Anzeiger, 2004: 21)

municipal taxpayers (Stadler-Planzer/Stadler 2008: 394). The financialisation of the corporation gives the corporation power not only vis-à-vis the municipal administration, but also vis-à-vis the members as they have incentives to rise the annual payout. With new bylaws in 2007, the corporation was transformed into a business company (ibid.: 392-3, 413). Any reductions of interest rates for building for members were abolished and the power of the corporation management was widely extended. At the same time the president – a member of the corporation's planning group – owns a building enterprise, which wins diverse large building mandates, resulting in an immense concentration of power.

Under a new abbot in 2007, the monastery too professionalised considerably concerning their land ownership. The monastery outsourced the real estate management to a private company, the goal changed from almost neglecting its property to earning money for the monastery's duties. For example, a planned luxury residence zone is foreseen to subsidise other functions. As an interviewee explains, "there is no other possibility than to build luxury residencies in front of the lake".

But also the municipal planning professionalised with a stronger inclusion of experts and a partial participation of 'the public' (Greuter, 2007: 54-55). Recently, there was also public opposition to the neoliberal agenda of Freienbach. In 2006 a referendum was undertaken to claim a park instead of office building solely. Up to date the implementation remains contested. However, out of the referendum an independent opposition group was established. Because of the influx of the rich lured by the low tax rates, suppression has become politicised as the children of former peasants cannot afford the high rents and are forced to move away. There is an initiative pending in Freienbach, which demands social housing.

While governance actors in Zurich North intensively aim to produce 'urban qualities', Ausserschwyz, on the contrary, is an urban configuration, which is highly privatised and suffers under its development model. This year, tax rates had to be raised for ten percentage points because Freienbach faced budget deficit. Besides the high rents, the overburdened landscape and streets are problematised. Medieval structures are conserved and are very influential for current urbanisation. The power of the corporation and the monastery remains or has even expanded while both

have transformed from a corporative institution to a profit-oriented company. Attempts of cross-border governance have yet not been successful.

### **Towards Post-political New Urban Configurations?**

In spite of the neofeudalistic governance, the hypothesis of post-political 'urban peripheries' cannot be confirmed in the case of Ausserschwyz. First, the thesis on the post-political city claims a loss of public discussion – and hereby idealises ancient Greek conditions, which I think is highly imprecise<sup>6</sup>. In Ausserschwyz, the opposite is true: Only lately, protest against the neoliberal urbanisation has risen (besides earlier nature conservation demands) and yet is not included in the governance arrangement. Instead of depolitisation<sup>7</sup>, neofeudalistic Ausserschwyz seems to be politicised, while the process of depolitisation seems to be fairly precise for Zurich North. What unifies both configurations, though, is their geographical position outside the very contested city of Zurich. While both profit from their nearness to the inner city as the cultural and financial centre, as well as to the international airport, the governance arrangements effectively use their freedom concerning tax and building rules. Thus, urbanisation models are established, which at the same time are shaped by inner city urbanisation and specific to the respective configuration.

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<sup>6</sup> e.g. power relations, the voice of women

<sup>7</sup> At this point, a further critical remark can be made concerning the post-political city model since depolitisation already is a well-known strategy in ancient times as for example panem et circenses.



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