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Review Essay: Moral Sentiments and The New Urban Crisis:

New Urban Crisis by Richard Florida, Basic Books, 2017

by Danny Dorling [draft 27/9/2017] – 1938 words.

Abstract: 'The Moral Sentiment in Britain and the United States is changing. There is no longer a such a willingness to accepted high and often rising levels of economic inequality. Coupled with this is a growing refusal to accept what now appear to be arguments in support of high inequality. The 'new urban crisis' is a book whose time has passed, a book which contains arguments for some people being very creative and others not which are now widely greeted with distain. We are very possibly at a tipping point and economically inequality in countries worldwide may be beginning again to fall. The last such tipping point occurred in 1913 as the Titanic sank. It was most likely greatly aided, if not partly caused, by the First World War. If the moral sentiment is changing now with widespread war that is even more reason to hope for a better future.

Keywords: Moral Sentiment, economic inequality, tipping point, gentrification, housing bubbles, urban crisis

There is a change underway in the underlying moral sentiment that makes certain kinds of economics possible and others unacceptable. What is seen as possible at any particular time and in any particular place depends on which arguments win the moral high ground and become accepted wisdom. In 1759

Adam Smith made his arguments about what was for the greater good. The title of the book he did this in included the words 'Moral Sentiments' (Smith 2010).

What Smith suggested to be true turned out not to be true for all time and all places. Instead his beliefs served a nascent and then growing British Empire well, but eventually it faltered. In the 1930s the British stockbroker Oswald Toynbee Falk declared that John Maynard Keynes' new theories were, for all their veneer of sophistication, simply the codification of "the moral feeling of an age" (Mason 2010: 226) – people had had enough!

In the new age of the 1930s economic inequalities that had risen ever since Adam Smith had been writing were beginning to rapidly fall. The gap between the rich and the poor was narrowing, and the disdain of the rich for the poor was reducing. It was the age between one World War and another. It was a time where people in almost all rich countries learnt to respect each other more and not to be so duped by those who tried to tell them that a free market would lift all boats and provide good work for everyone.

The underlying moral sentiment in economics is what changes the direction of the discipline. Economics is not moved by natural scientific discoveries because economics is not a natural science. However, pleas to alter the direction of travel are more effective if they are backed up by equations and graphs. Nevertheless, at the heart of any new theory that is most effective is an appeal that something is profoundly wrong and urgently needs to be fixed (Piketty, 2013). It is thus now common to point out great social problems of the day when trying to persuade others that your moral sentiment is the sentiment that they should also hold.

"Gentrification, housing bubbles, growing inequality, and what we can do about it" is the subtitle of urbanist Richard Florida's latest book, 'The New Urban Crisis' (Dorling, 2017). It is a good example of a book whose time has passed even

before it was printed. The problem with Florida's book is that if people thought like he wished them to think, then gentrification would be acceptable, housing bubbles inevitable and growing inequality simply the manifestation of differences between people that his writing implies to be somehow natural.

I was shocked when I read Florida's book and saw a new contemporary map of London in which the rich areas were labelled – "Primarily Creative Class", the poorer parts "Primarily Service Class" and it was declared that not a single neighbourhood was now working class. Unfortunately this is how Richard Florida portrays cities and sees people. For him there are those who create and those who serve them. Reading such thoughts in 2017, it becomes clear how much they jar with the current new direction of travel – the direction in which many of us now think of economics moving worldwide. Thinking such as Florida's was common before the 2008 crash, a disaster brought about by the creative class of overly creative financiers. Today looking down on the little people is again no longer tolerated, because of where the so-called creatives took us.

The 'New Urban Crisis' opens with its author recounting what his taxi driver told him on the way in from the airport about all the empty luxury flats in London. It reads as if Richard Florida has just been made aware of rising inequality, of unworkable housing markets; as if his eyes have just been opened up to the greatest unfairness of life in the cities of the UK and USA today. He appears a little shocked, although not that shocked. Could these 'new' issues that have been around for many decades simply be a convenient hook upon which to try to attach his old ideas?

By Florida's schema the taxi driver is a member of the 'service class' and Florida, sitting in the back of the cab and listening, is a 'creative'. But just what is he creating? Just above his map of London Florida announced that "*Surprisingly, there is not a single tract in London where the working class makes up a plurality*

of residents...” That came as a surprise to me too. With colleagues I have drawn hundreds of maps of London, none of which has seen the working class disappear entirely from being in the majority in any neighbourhood. Perhaps all the maps I have drawn have been wrong and this man who has jetted in from over the Atlantic with his one new map has a better idea of how London works?



Image in draft (not final) manuscript: Richard Florida & his wife giving ‘delivering travel tips, insights and candid photos from self-made men and women’ Source: <https://youinc.com/content/social/seat-3a-rana-florida-ceo-creative-class-group>

The claim that there is not a single neighbourhood in London with a plurality of working class residents anymore is wrong, of course, but it is representative of so many of the ideas in Florida’s book. Base a book on anecdote and elitism and then try to transplant your rhetoric to England’s largest city and what you actually do is expose the flaws in your ideas. You also provide a great service in revealing how the mood is changing when your ideas are received with such shock.

The truth is that people cannot be easily divided into those who are creative and those we are not. We all have some creativity in us and often people who see themselves as especially creative can spout a great deal of rubbish. Anyone who

says 'I'm a creative' is unlikely to be taken very seriously. They are inviting mockery. Mockery is how human beings constrain the narcissistic tendencies of a few.

Whole neighbourhoods are not saturated by one social group or another, especially in London where to one extent or another the large majority of people in most areas are struggling in some way to get by, pay the rent, the mortgage, maintain their jobs and bring up their children.

Inequality and housing prices have risen so high partly because people in the USA and UK were fooled into believing that some people were worth far more than others and some cities and housing is worth far more than it really is. For the last few decades pay in the USA and UK at the top rose faster than the bottom because of these beliefs – because of the prevailing moral sentiment that says that rising inequality was not a problem. People were fooled into accepting this way of thinking by ideas such as those proposed in this book. Perhaps Richard Florida was fooled too?

'The New Urban Crisis' is a book which doesn't look much beyond the USA and UK to see how much more affordable and better functioning cities are in countries where people respect each other more. Neither Tokyo nor Japan is mentioned much, or the more equitable countries of the North of Europe, or Canada's urban successes in comparison to the USA's failures. There is a wealth of evidence now available as to what works and what doesn't and most of it comes from looking at more equitable countries.

So what does Florida suggest we do about the crisis of rising inequality and rising house prices? The answer is very little other than locally, apparently. After concentrating on the contemporary travails of London, Florida ends the preface to the UK edition of his book by claiming 'Our great urban centres can no longer

look to national governments for top down solutions...’ Much later, he begins Chapter 10 by claiming that no prime minister, no president, no national politician in all of the USA, the UK or Europe has in any of our memories ever talked ‘thoughtfully’ about cities and urban policy. That is quite some claim, like many in the book it is both unsubstantiated and unbelievable. How can he think he knows what is in all our memories and that he knows what all these politicians in all these places have ever thought?

Florida advocates powerful mayors, most examples of which are men, as the way forward. With no convincing evidence that such machismo is the solution.

Of course people other than mayors can think thoughtfully and improve cities. In May 2016 Mercedes Vidal of Barcelona, a politician and a city councillor explained to a newspaper reporter: “It’s no surprise that this concept was born here. In a city as dense as ours, it’s all the more necessary to re-conquer spaces.” She went on to explain that if all goes as planned around seven of the 13.8 million square metres now dedicated to motorized traffic will be freed up in the city. She was talking thoughtfully about how Barcelona could be made a better city. She was not a mayor, just a city councillor (Bausells, 2016)

And have there been national politicians who have talked thoughtfully about cities? Who do you think said these words about one city in the USA? ‘What we’re seeing in Atlantic City encapsulates the ugliness and the greed, the greed and the recklessness we have seen from Donald Trump and Carl Icahn’. His name was Bernie Sanders, a national politician who was speaking a week before Mercedes was outlining the plans for Barcelona’s streets (Glenza, 2016). The writing was in the newspapers (if not literally graphitized on the walls) for Richard Florida to see when he was writing his book; had he looked in the right direction.

While Florida's claims might have made a tiny amount of sense in the original US edition, the idea that the British government could not help solve London's problems is laughable. No other body has the power to introduce rent regulation, to ensure that private landlords pay their taxes, to ensure that schools and hospitals are probably funded, that walking, cycling and public transport is encouraged, that the air is made cleaner, gentrification is constrained and the housing bubble popped and not re-inflated. There are examples from across Europe of how all this is possible. Florida says very little about public services. Neither 'schools' nor 'hospitals' appears in the index and 'public investment' is covered in just five pages out of the 320.

Florida repeats many old myths, for instance suggesting that New York, Los Angeles, San Francisco and Boston although all being highly segregated and unequal offer greater avenues for upward mobility for the poor. They don't. Social mobility is lower in the USA than in any other affluent country in the world. Just because it might be a little higher in San Francisco than elsewhere within the USA does not mean that it is not appallingly bad there too as compared to what is normal elsewhere in the rich world.

The first words you read at the top of the front cover of this book are a plaudit by a pundit that reads: '*deserves to stand alongside Thomas Piketty's Capital ... Essential*'. In a way this claim is true. Florida's book is an example of the kind of thinking that got us into this mess in the first place and understanding that thinking is a part of beginning to realize we cannot go on like this. It is a glaring example of how our moral sentiment is changing. The book jars – because it is out of time and out of place.

Disclosure statement

No potential conflict of interest was reported by the author

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