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Boss That
Private-sector redevelopment is transforming Liverpool – but who benefits?

Abi O'Connor
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Liverpool has been subject to various policies that promised to rebuild, regenerate and revitalise the city, reversing its 20th-century decline. These policies have long held out the promise of jobs and prosperity for all, despite all too often relying on the mythical theory of trickle-down economics when it came time to provide proof of their success. After decades of developer-led regeneration, the city still suffers some of the highest levels of socioeconomic deprivation nationally, raising the key questions of who benefits from this current form of "renaissance" in Liverpool, who loses and – more recently – how does the pandemic impact on this strategy?

Before the outbreak of COVID-19, the latest articulation of Liverpool's urban renaissance was Grade A office spaces. These are large-scale, new or recently renovated, purpose-built developments finished to a high standard. In Liverpool, this form of commercial gentrification is particularly lucrative for the private market owing to low land and property prices. Developers have flocked to the city to invest capital into devalued land, taking advantage of some of Britain's highest rental yields.

On top of this, speculative land purchasing [https://theconversation.com/the-new-enclosure-how-land-commissions-can-lead-the-fight-against-urban-land-grabs-167817] has often resulted in swathes of land sitting vacant for years, while global corporations such as Peel Holdings wait for the most profitable time to develop. Liverpool has therefore become a key example of the rent gap, a term coined by geographer Neil Smith in 1979 to describe the difference between actual land value and potential rent – a key driver of gentrification.

Wasted opportunity: vacant land owned by Peel Ports overlooking newly built tower blocks, Liverpool Docks
Photograph by Abi O'Connor

Meanwhile, having been forced to cut over 65% of its budget under austerity, Liverpool's local authority is, at best, treading water financially [https://theconversation.com/liverpool-close-to-bankruptcy-how-decades-of-stigma-have-pushed-the-city-into-financial-ruin-138742] . The reality on the ground is a chronic shortage of affordable housing, a lack of sustainable jobs, and residents suffering from decimated welfare services. Against this backdrop, the city is vulnerable to neoliberal policy interventions that extract economic value from devalued spaces, crafting the idea that the only means of recovery is via market-led private investment (see research by Kallin and Slater, 2014 and Paton, McCall and Mooney, 2017).

Proponents of this development model in Liverpool contend that Grade A offices are a positive sign of the city's future economy and a necessary part of its regeneration. However, not everyone agrees. Urban geographer Tom Slater referred to this kind of argument in 2021 as "false choice urbanism", a narrative that attempts to legitimise gentrification by weighing up its pros and cons. During fieldwork interviews, comments made by John[1] , a local councillor, highlighted this false choice and the driving force behind the model: "It was led by the property industry; they say 'without Grade A office space you're not going anywhere'."

Why, then, would the local Labour party be actively involved in the inception and delivery of market-driven regeneration? The most common defence of commercial gentrification via Grade A offices [https://www.theplanner.co.uk/news/liverpool-backs-framework-to-develop-grade-a-office-space] is its role in job creation. The need for increased employment opportunities in Liverpool is a longstanding issue, and is felt acutely by those from marginalised backgrounds who are subject to institutional racism at the hands of local employers. These issues have inevitably been magnified by the pandemic, as the city's substantial tourist and hospitality industry suffered immeasurably, and was compounded by the Conservative government's inequitable implementation of local lockdown measures [https://www.reuters.com/article/ukhealth-coronavirus-britain-lockdown-idUKKBN26W10G] and inadequate financial support packages [https://www.liverpoolcityregion-ca.gov.uk/11710-2/] .

Arguably, this political landscape has compromised any meaningful engagement on the conditions and quality of jobs brought by multinational corporations. As Beth, a local councillor, reflected: “The push is for Grade A office space for massive corporations that can afford to rent them out. And who’s gonna work in them? Is it people from Granby or the Dingle, or from elsewhere?”

It is vital that all jobs are sustainable, well-paid and secure. Yet the prospect of these conditions materialising in an increasingly casualised labour market is doubtful. And the longevity of Liverpool’s regeneration model has, in the past 18 months, been thrown into question. Discussing likely changes to working practices, local councillor Kevin observed: “Look at the challenges that COVID-19 has brought around what the world of work is going to look like. That Grade A office space and nine-to-five working in offices, we’re never going to come back to that.”

Liverpool’s need for revenue via inward investment, in the context of austerity and COVID-19, means private interests have been able to occupy the position of controlling partner, with the local state at their mercy. But local governance must be responsive to the current climate. If the need for vast office spaces diminishes as a result of coronavirus, what use will be made of Liverpool’s luxury commercial areas?

Socially trading organisations have for years been sidestepped by the Council in favour of larger-scale speculative investors, explains Liam Kelly [https://www.business-live.co.uk/commercial-property/liverpool-business-leaders-whether-workers-18831743] of creative support hub Make CIC. Despite this, it was precisely these local community organisations that did most to bridge the gap left by welfare state retrenchment during the pandemic, including City of Liverpool FC [https://scallymag.co.uk/community/swapping-the-pitch-for-the-pantry-during-the-pandemic/] , Fans Supporting Foodbanks [https://spiritofshankly.com/fans-supporting-foodbanks/] and Spirit of Shankly [https://spiritofshankly.com/help-is-here-covid19/] providing food deliveries, ACORN [https://www.instagram.com/acornliverpool/?hl=en] community union organising local mutual aid and Kitty [https://www.cultureliverpool.co.uk/business-heroes-kittys-laundrette/] ’ [https://www.cultureliverpool.co.uk/business-heroes-kittys-laundrette/] s laund [https://www.cultureliverpool.co.uk/business-heroes-kittys-laundrette/] e [https://www.cultureliverpool.co.uk/business-heroes-kittys-laundrette/] rette [https://www.cultureliverpool.co.uk/business-heroes-kittys-laundrette/] offering free laundry and returns to vulnerable residents and key workers, delivered on bike by Peloton [https://peloton.coop/project/agile/] , another of the city’s local social traders.

Meanwhile, as the lockdowns continued, many large employers began to vanish, leaving their luxury offices vacant throughout the city. While rhetorical support for community wealth-building is often peddled locally, the (in)actions of Liverpool’s council make abundantly clear what they consider to be valuable under neoliberal capitalism.

Creating a city centre defined by luxury and exclusivity requires maintenance. To renew their commitment to these newly cleansed private spaces, police and politicians weaponise the law as a tool of social control. In summer 2021, young, working-class, marginalised groups using the city’s public space were deemed undesirable and inappropriate [https://scallymag.co.uk/feature/criminalising-the-youth-problematic-headlines-and-dispersal-orders/] by residents of luxury apartments on Liverpool’s waterfront. They were criminalised by a dispersal order supported by some local councillors, including Labour members, and Labour’s Police and Crime Commissioner.

The work of critical urban scholars is useful here to remind us to question whose interests are being served and whose future is being secured by market-driven regeneration. These questions are pivotal at a time when public access to the city is evaporating as private interests aggressively fortify space, through what

Marxist geographers refer to as accumulation by dispossession [https://www.exploring-economics.org/en/discover/anti-capitalist-chronicles-accumulation-by-disp/] .

Decision-makers are confining Liverpool to a model of financialisation which, at its core, is built to ensure that those who lose out, as one participant put it, are those who “do the living and the dying here”.

My research highlights the fallacy behind the argument that private is the only way forward. While the possibility to imagine an alternative may have been minimised under neoliberalism, as consent to increasingly right-wing policies is crafted from across the political spectrum, Liverpool’s communities offer hope. What the city makes of this hope is dependent on how its leaders choose to define who and what is considered valuable.

Footnotes

1. All names of research participants are pseudonyms.

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About the author

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Abi O’Connor is a final-year doctoral candidate in sociology at the University of Liverpool. Her research focuses on the extraction of economic capital from devalued land and housing markets, and explores how territorial stigmatisation impacts these processes. Through the course of her fieldwork, the messiness of Liverpool’s urban political economy became increasingly apparent, with issues including the politics of authenticity, class and corruption becoming central to the city’s story. Twitter: @abioconnor_

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