

Article

## “The System Is the System, Isn’t It?”: The Case for a Just Devolution

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### Abstract

How do actors involved in decision-making around urban planning relate to devolution? How do they perceive external forces influencing their cities, and how can the interventions they make be better oriented towards tackling inequalities? We reflect on these questions with data from interviews conducted with urban leaders and housing and development policy stakeholders in the second cities of Birmingham, UK, and Lyon, France. We compare narratives and assess how they relate to the concept of spatial justice in differing contexts of devolution. Drawing from findings in two cities with distinct governance structures, we uncover common issues with neoliberal, growth-oriented mindsets among key actors, despite contrasting rhetoric around social justice. We contend that there is thus a need to define mechanisms for making devolution more attentive to inequalities. This could be achieved through incorporating the concept of spatial justice into devolution strategies. We further argue that, while autonomy to make decisions is an important aspect of devolution, this autonomy needs to be operationalised within an appropriate constellation, including a progressive political-economic culture, sufficient bureaucratic authority and resources, and an active and informed citizenry. As such, devolution is a two-way process of having powers devolved from above and building capacity from below to make use of these powers effectively. We conclude by reflecting critically on the potential of existing strategies in the two contexts to overcome social inequalities and realise the aspirations of “just devolution.”

### Keywords

decision-making; devolution; investment; spatial justice

### Issue

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### 1. Introduction

Devolution, or the reallocation of fiscal resources and decision-making powers from higher to lower tiers of government, is an important theme in research on regional inequalities and economic disparities within countries. Empowering sub-national governments to make use of their “informational advantage” or their alleged greater understanding of local needs and strengths (Davoodi & Zou, 1998) is frequently written about as an inherent good or framed as a practical step towards achieving more just societies (Ascani et al., 2012; McInroy & Lloyd-Goodwin, 2020). There is lively scholarly debate

on the extent to which this is true. Our central aim in this article, however, is to introduce an often-neglected concept into the devolution debate: spatial justice, or the “fair and equitable distribution in space of socially valued resources and opportunities to use them” (Soja, 2009, p. 2). The physical contours of spatial injustice can be mapped over time across a defined geographical area and monitored with data to show change. It is therefore a valuable framework that can be used to identify challenges and assess whether interventions have the effect of mitigating or intensifying pre-existing levels of inequality. As we will discuss in this article, much of the discussion of devolution is focused primarily on economic

outcomes, with normative issues frequently absent. We contend that incorporating the concept of spatial justice into devolution strategies would strengthen the normative dimension of the devolution debate, helping to centre inequalities and thus deliver what we term “just devolution,” whereby the aim of devolution is not primarily economic growth but rather tackling socioeconomic inequalities and empowering citizens to participate in decision-making.

We draw conclusions from a recently completed international research project, “The Democratic Foundations of the Just City,” which sought to understand the role of politics in urban planning policies and outcomes in European cities, particularly with regards to gentrification, the ghettoisation of marginalised groups, and access to affordable housing of a decent quality. The two case studies in this article, Birmingham in the UK and Lyon in France, are comparable in some important regards: they are second cities in developed states otherwise dominated by powerful capital cities, both have relatively large migrant populations, and both continue to have important industrial sectors in their economies. Nevertheless, Birmingham and Lyon are distinguished by substantial differences in their governance models and the extent of devolution from the centre. On the project, we conducted interviews with urban leaders and housing and development policy stakeholders to understand how they relate to devolution, perceive structural forces such as pressure from central government and the market, and articulate their capacity to adapt to these forces for local advantage. As such, our research considered the interaction of ideas, institutions, and interests in shaping urban development outcomes. Among other findings, we uncovered common issues with neoliberal, growth-oriented mindsets among the participants, despite varying rhetoric around social justice. In the British case study, we observed a combination of devolution and austerity measures. This leads us to conclude that devolution in its current form is not sufficient to tackle inequalities. Instead, mechanisms for achieving social and economic inclusion need to be articulated, and the impacts of future investments and interventions upon areas must be more holistically understood.

This article opens with a review of the literature, further exploring the notions of spatial justice and devolution that we integrate into the concept of just devolution. Following this, the case studies are introduced. We then present our research methodology before introducing the analysis of material taken from interviews conducted with key stakeholders. We close by arguing for the need to move beyond encouraging devolution for its own sake, or framing devolution as it is currently constituted as a silver bullet for socioeconomic challenges. Instead, effort needs to be made to define strategies for achieving a more just devolution. This in turn necessitates building local ecosystems that are better equipped to creatively use the autonomy and resources that devolution can bring towards the goal of overcoming

social injustices that are physically expressed across urban space.

## 2. Literature Review

The first body of literature this article draws from is that of spatial justice. Particularly important in this field is the work of Soja (2010), who argues that social injustice can be considered inherently spatial, relating to the unfair distribution of resources, opportunities, and public services (such as transport, education, and healthcare) in the places we live. Moreover, the decisions and values underpinning the production and consumption of space are crucial in determining the degree of social (in)justice expressed across a space. Soja’s work calls for disrupting processes that generate unequal spaces and consideration of how historical patterns of neglect determine the path dependency of places in which marginalised groups are more likely to live. The concept of spatial justice builds upon Harvey’s (1973) notion of “territorial justice,” which refers to the allocation of public resources according to need across an area. Lefebvre’s (1968) “right to the city,” in opposition to the production and consumption of space as a commodity, is also an important facet in the notion of spatial justice, given its opposition to the emergence of enclaves of wealth and ghettos of poverty being accepted as a natural fact of urban life. Instead, scholars working with the concept of spatial justice argue that areas of deprivation are spatial manifestations of injustice that ought to be addressed (Drozd, 2014). On this point, it should be noted that, as much as injustices emerge from the local historical, cultural, and political milieu, so too is spatial injustice differentiated by local ideological and institutional constellations (Cox, 2019). This must be considered when reflecting on the challenges posed by spatial injustice. There is no universal mechanism for achieving spatial justice across space and time.

A further important contribution comes from Fainstein (2010), who outlines a series of principles for planning the “just city.” The first of these, equity, describes “a distribution of both material and nonmaterial benefits derived from public policy that does not favour those who are already better off at the beginning” (Fainstein, 2010, p. 36). The second is diversity, where Fainstein (2010, p. 43) disregards the need for assimilation and is relaxed about the emergence of homogenous districts in cities, provided institutions “promote reproduction of and respect for group differences without oppression.” On this point, we break with Fainstein, given that data shows a significant correlation between social and ethnic segregation, lower educational attainment, and higher unemployment rates (Zwicky, 2021). Furthermore, the emergence of neighbourhoods comprising almost exclusively of marginalised residents may be the result of structural forces and, in part, the path dependency of historic discriminatory policies. The hypothetical benefits that emerge from the

geographic concentration of marginalised groups, such as the potential for greater political representation, do not, in our view, outweigh the negatives. Indeed, the concentration of marginalised groups can lead to ghettoisation, which is a major driver of intergenerational social injustice (Dlabac et al., 2019). Such spatial concentrations of minority groups might be used as evidence for the emergence of “parallel societies” by those opposed to multiculturalism, with dangerous political implications (Lentin & Titley, 2012; Meer & Modood, 2014). Scholars also argue that this spatially expressed inequality contributes to the reproduction of unbalanced power relations, perpetuating the relative (dis)advantages of groups (Madanipour et al., 2021).

The second body of literature crucial to this article is that of devolution. On this subject, researchers analyse the impacts of moving financial resources and decision-making powers away from central government towards regional, city, or other forms of local government. There is mixed evidence on the effectiveness of doing so, particularly with regard to the optimum degree of fiscal devolution (Rodríguez-Pose & Ezcurra, 2010, 2011; Thießen, 2005). Some statistical analyses show that the devolution of financial resources can result in reduced economic efficiency (Rodríguez-Pose & Bwire, 2004), whereas others find that fiscal devolution can correlate with higher GDP growth (Iimi, 2005) and reduced regional and interpersonal inequality (Ezcurra & Pascual, 2008; Tselios et al., 2012). The turn towards enhancing local autonomy is generally framed across countries as a means of stimulating local and hence national economic growth rates (Cox, 2019). An important overarching factor is the context in which resources are devolved, as well as the composition of the institutional arrangements tasked with making use of these resources. In the British context, the recent devolution of limited spending powers must be considered against a backdrop of intense austerity measures since 2010. For example, the 2016 devolution of £30 million to the newly-formed combined authority covering the Bristol city region does not offset the £156 million cut to the budget of Bristol City Council alone over the period 2010–2020 (Hambleton, 2016). The UK is widely described in the literature as one of the most highly centralised nations in the world, especially with regard to the allocation of financial resources (Carrascal-Incera et al., 2020; Fothergill & Gore, 2021). A study of local autonomy based on 11 factors, including policy scope, financial autonomy, oversight, and institutional depth found that the UK has among the worst performances in terms of local autonomy of any country in Europe. The UK achieved a score of 17.38 out of 37, comparable to the likes of Hungary, Ukraine, and Turkey; in contrast, the top performer, Switzerland achieved 29.76, with countries such as Sweden, Germany, and Poland also performing strongly (Ladner et al., 2016). The study additionally found that local autonomy in the UK decreased slightly over the period 1990–2016.

Critical scholars argue that the focus on economic growth that characterises much of the literature on devolution arises from the neoliberal character of contemporary devolution strategies. Since the 1980s, the fixation on reducing public debt and shrinking the state in many countries has led to an abandonment of the post-war consensus in which national governments took on a redistributive role to address inequalities. Instead, there have been successive waves of devolution and bureaucratic reorganisation as cities and regions have been encouraged to compete, a key aim of which is to sustain national growth rates (Blondel & Evrard, 2019). Devolution is thus operationalised as a tool of neoliberal governance, which prioritises market openness, competition, deregulation, privatisation, and minimal government intervention rather than normative issues such as justice and empowerment. The notion of a welfare state that seeks to improve the life chances of less privileged groups has been replaced by a series of devolved structures with insufficient resources to address inequalities (Cox, 2019). Moving from the national to the urban scale, gentrification has been described as both a product of neoliberal urban policy and a policy in its own right, which has the effect of restoring the class power of elites while being indifferent to the impacts this has upon marginalised groups (Recoquillon, 2014). For instance, urban leaders may justify regeneration projects that displace poorer residents with reference to the need to compete for international investment into cities. Ideas such as class and justice are essentially absent in much of the literature on devolution. The topic is instead framed by depoliticised, technocratic discussions of efficiency and growth figures.

However, devolution does not solely concern finance, but also the granting of decision-making powers and autonomy, as well as towards what ends these interact with local ideas, institutions, and interests. Autonomy in this context is taken to mean the capacity for initiative at the local government level, along with the power of immunity from oversight by higher levels of government over decisions that are made (Blondel & Evrard, 2019). A review noted a range of potential benefits and risks to decision-making arising from devolution (Ascani et al., 2012). In the former category is the “informational advantage” noted above, meaning that services and decisions can be more closely tailored to needs through applying local knowledge in decision-making (Davoodi & Zou, 1998). The authors also highlight the potential for poorer areas to compete with wealthier ones, as well as the opportunity to enhance stakeholder participation and civic engagement in policy and service design. Nevertheless, the review also claims that devolution can bring significant risks. These include a lack of staffing capacity, technical expertise, and robust data collection at the local level to effectively make use of autonomy; the potential for service duplication between overlapping tiers of government, resulting in waste; a perceived greater risk of corruption at the

local level; and the potential for harmful competition between areas, for instance through a “race to the bottom” when competing to attract investment. The threat of wealthier regions using devolved powers and funding to out-compete poorer ones means that devolution can exacerbate regional disparities (Rodríguez-Pose & Gill, 2004). Local contextual factors are vitally important to the outcomes of devolved governance, making it important to uncover the ideas and values held by local decision-makers, the institutions empowered to participate in and enact these decisions, and the networks of interests that these decisions are taken within. In addition, the orientation of the national government may also be a crucial factor, and this can stand in opposition to the interests of local actors (Enright, 2016).

The issue of multilevel governance including devolution is one of the largely neglected issues in the governance literature, meaning that gaps remain in our knowledge of the practice of devolution (da Cruz et al., 2018, p. 2). The perennial question of which powers are best devolved, and which are better reserved at the national level, also remains a matter of debate. Central governments have greater economies of scale in procurement, and, as such, it has been argued that certain public services, such as healthcare and safety, may be best delivered on the national level (Rodríguez-Pose & Ezcurra, 2010). It has also been claimed that large-scale projects, particularly those relating to transport, energy, and digital infrastructure that transcend local or regional boundaries, are also likely better delivered by central government (Floerkemeier et al., 2021). Again, this focus on technical outcomes highlights the extent to which normative issues tend to be secondary concerns in the literature on devolution. This is curious, given that devolution has also been politically deployed as a means of granting autonomy (or at least the impression of autonomy) to sub-national regions that seek independence without substantially challenging the prevailing political-economic character of the state (Blondel & Evrard, 2019).

The notion of spatial justice has only very rarely been directly applied to research regarding devolution, although some studies of regional disparities have made use of the concept. Varró (2012) reflected on uneven regional development and the potential for spatial justice within the confines of post-1997 devolution in England, reiterating the risk that regional competition within a devolved framework could exacerbate pre-existing inequalities. A study of regions in Sweden, Norway, and Finland applied Soja’s (2010) principles on spatial justice to education systems and outcomes between countries across urban and rural areas (Beach et al., 2018). Where this current article differs from earlier applications of the concept is in its comparative approach to understanding the impacts of devolution in two international contexts, focusing on how stakeholders articulate their capacity to achieve outcomes that contribute to greater spatial justice in the case studies

introduced below. We also seek to integrate the concepts of spatial justice and devolution to argue for strategies that can achieve just devolution, whereby local institutions have sufficient authority and resources to make decisions that aim to tackle social injustice in their areas. This in turn necessitates changes to the composition of currently dominant constellations of ideas, institutions, and interests that support the neoliberal, pro-growth outcomes we observed in Birmingham and Lyon.

### 3. Case Studies

Birmingham is a large city situated within a polycentric urban area, the English West Midlands. The city was once a powerhouse of the British economy and the heart of the wealthiest region outside London up until the early 1970s (O’Farrell, 2020a). However, in the late 20th century, the city’s economy and population entered a sustained period of decline, with the collapse of its industrial base transforming the West Midlands into one of the poorest regions in the UK. Today, the city is home to one of the most diverse populations in Europe alongside deep-rooted socioeconomic problems, including significantly lower employment rates than the national average (O’Farrell, 2020b). Forty-three per cent of the city’s wards belong to the 10% most deprived in England (Birmingham City Council, 2019b). The cityscape has become notorious in the UK for its modernist design that had until recently featured many examples of brutalist architecture. Since the early 2010s, much of the city core has been redeveloped, with large-scale investment predicated on the High Speed Two railway that will connect Birmingham with central London in under one hour. In our interviews, many participants expressed a belief that this new railway could bring economic growth to the city as an overspill of London, for example through commuters buying properties in Birmingham and companies based in the capital opening regional offices to take advantage of lower costs in the city. This was used by several to justify the need for large-scale regeneration of the urban core; however, we noted that no participant was able to identify mechanisms to manage the risk that this strategy could eventually make housing unaffordable for local people. As such, we found that the fixation with creating a city centre enclave of prosperity, identified in Birmingham more than a decade prior, remains alive and well (Barber & Hall, 2008).

Birmingham is governed within a political framework characterised by intense centralisation at the national level. Reforms to local government in the 1970s produced a super-centralised model of decision-making which, when coupled with neoliberal economic policies from the Thatcher era onwards, have successively eroded the role of local authorities in the UK (Hambleton, 2016). Austerity measures since 2010 have cut the city council’s budget in half over the course of a decade (Birmingham City Council, 2019a). A new regional government structure covering Birmingham is the West

Midlands Combined Authority, formed in 2016 to coordinate the actions of seven municipalities in the conurbation. The authority has competencies over transport, economic development, and regeneration, but does not have powers over urban planning or housing development. Moreover, as Hambleton (2016) details, the budgets of these new combined authorities are many orders of magnitude smaller than the sum of money that has been cut from their constituent councils since 2010. The bodies are also heavily monitored by central government and thus lack meaningful autonomy. In a clear demonstration of the neoliberal values of the institution, the role of the West Midlands Mayor is principally to promote the area and attract investment. This is illustrated by a £10 billion prospectus of development opportunities prepared by the combined authority for international investors that lists housing, regeneration, commercial, and infrastructure projects open to the private sector (West Midlands Combined Authority, 2019). An emerging development impacting Birmingham since we carried out our interviews is the government's "levelling up" agenda, an ambiguously defined ambition to overcome regional disparities in the UK that is characterised by relatively small funding commitments, competitive bidding processes, and evidence that funding allocations are being made according to electoral calculations rather than local needs (Newman, 2021).

Lyon is France's second city and a historically important industrial centre. Table 1 shows a comparison of the two cities across several key indicators. The municipality of Lyon is smaller than Birmingham, being home to around half a million people. There are some 1.4 million in the agglomeration and 2.1 million in the wider urban area. Eighteen per cent of the city's population was born abroad, a plurality of whom come from the Maghreb (International Centre for Migration Policy Development, 2017). Modern Lyon contains both highly deprived districts and major flagship development projects funded by international investors. There is noteworthy spatial injustice in the disparities between districts of the city

(Galimberti et al., 2017). Much like Birmingham, we found that participants in our interviews understood a common interest to promote economic growth and enhance the perceived competitiveness and attractiveness of the city to investors. However, in contrast to the super-centralisation experienced by Birmingham, Lyon is regarded as a forerunner of metropolitan governance in France, having over the past four decades developed far-reaching governance structures for the city and municipalities in the agglomeration (Institut National de la Statistique et des Études Économiques, 2011). Lyon has a long tradition of cooperation between government and civil society actors, particularly with regard to the provision of housing for low-income families (Ball, 2012). At the same time, citizen engagement in decision-making remains underdeveloped, whereas there is a growing interest in Birmingham in participation and co-production (Zwicky, 2021).

Local government in France is organised from communes to metropolitan governments covering multiple municipalities, above which are departments and larger regions, up to the national government on the highest level (Marcou, 2014). The metropolitan government for the city of Lyon was established in 1966. There are now 59 communes covered by this governance structure and competencies have been successively shifted from the municipal to metropolitan level (Grand Lyon, 2017). Urban planning powers were transferred in 1983, followed by many housing-related competencies in 1995 (Grand Lyon, 2015, p. 7). In 2006, the metropolitan government gained powers to manage capital investment, including the financing of social housing construction. The metropolitan government is therefore the main organising authority in the realm of housing for the city and its suburbs. Further powers around economic development were granted in 2008 (Maurice, 2014, p. 229). In 2015, the metropolitan government was renamed from Grand Lyon to Métropole de Lyon and, from a comparative perspective, a unique body of special status was established, combining the competencies of the

**Table 1.** Overview of the two case studies.

	Birmingham	Lyon
Population (local authority area)	1,137,100 (O'Farrell, 2020b)	513,300 (Zwicky, 2021)
Population (metropolitan area)	2,897,000 (O'Farrell, 2020b)	2,323,000 (Institut National de la Statistique et des Études Économiques, 2022)
Population born abroad	22.2% (Birmingham City Council, 2013)	17.6% (International Centre for Migration Policy Development, 2017)
Regional government unit	West Midlands Combined Authority (7 local authorities)	Métropole de Lyon (59 communes)
Local autonomy score (Ladner et al., 2016)	17.38/37 (47%)	25.65/37 (69%)
Social housing stock (as share of total)	24.2% in 2011, stock decreasing (O'Farrell, 2020a)	26% in 2018, stock increasing (Zwicky, 2021)

former Grand Lyon metropolitan government and the Rhône department on a hierarchically higher level. At the same time, competencies in social policy and urban planning were transferred from departmental to metropolitan level. The evolution of governance structures covering the city and its suburbs demonstrates how devolution is an evolving process, with greater powers successively transferred to Lyon over the course of several decades.

#### 4. Methodology

The analysis below considers material from a series of interviews conducted with local leaders, policymakers, and representatives of organisations relevant to urban planning policy (such as housing associations and property developers) in 2019. These interviews were informed by an earlier phase of gathering quantitative data, including ward-level demographic data (ethnicity, income, and education level) to map trends of population change across the cities over several decades, as well as figures on housing stock and type (social housing, private rented, and owner-occupied).

We conducted 21 qualitative semi-structured, hour-long interviews in both cities using an interview guideline, the English version of which is included in the Supplementary File of this article. The interviews focused on key housing and urban planning policies over the past two decades in each city, as well as relevant actors, policy objectives, and attitudes towards processes such as segregation and gentrification. Given the academic nature of literature on spatial justice, we did not directly introduce this term in the interviews. Instead, we spoke in everyday language; for example, we asked participants whether they perceived any advantages or disadvantages for people from ethnic minorities when living in the same neighbourhoods and whether this might create challenges or opportunities for the city. We showed participants maps created for the project that depicted the spatial distribution of population groups across the city and highlighted where there was an overlap, with some districts having large populations of ethnic minority groups and high unemployment rates, for example. This enabled us to have conversations about spatial injustice in ways that were accessible, in turn allowing us to delve deeper with questions about what the city might do to address problems in these areas—and indeed, if the city should do anything, or whether such issues should be considered “problems” at all. Likewise, when talking about devolution we asked in broad terms how participants perceived the relationship between the city and national government, what decisions they were able to make in their own jobs, and whether they felt that the city needed to be able to take its own decisions on different topics. We thus sought to frame the interviews as conversations between individuals who are interested in the city and the issues it faces.

According to the concept of governance, urban planning processes are shaped by a variety of different actors

from the public, private, and community sectors (Pierre, 2014). To take this diversity into account, actors from diverse fields were interviewed. Participants in Lyon included managers of civil society organisations, policymakers in government, an elected official, social housing providers, and an academic. In Birmingham, we interviewed city planners, current and former council officers, a property developer, a housing association officer, and an elected city councillor. The sample size is on the low end of the ideal for qualitative work (Baker & Edwards, 2012, p. 49), in part due to the comparative nature of the project. The project’s data collection was carried out in three languages in these cities, which in turn had an impact on the resource allocation for the research. Nevertheless, we found that the samples in each city were sufficient to consistently return key themes in relation to the state of devolution and spatial justice in the cities, thoughts about structural forces such as the market and central government, and insight into how participants understood the interaction of ideas, interests, and institutions in their city.

#### 5. Analysis

Our analysis here focuses on how participants related to the process of devolution, the extent to which participants felt constrained by external forces, and what tools they felt they had to develop policies for the city. Overall, we found that participants in Lyon were more empowered and felt less constrained by external forces. On a superficial level, there was a greater commitment to achieving spatial justice across the city. In contrast, participants in Birmingham were frustrated with the lack of autonomy and resources at their disposal. They also had a much weaker focus on inclusive development, often struggling to describe how, or if, issues such as inequality or ghettoisation could be tackled. Those we interviewed in Birmingham frequently lapsed into demoralised narratives regarding their capacity to affect change. However, we did not find that these differences in the rhetoric around devolution correlate with significantly greater spatial justice outcomes. For instance, while there has been a small increase in social housing stock in Lyon since the millennium and a commensurate decrease in Birmingham, both cities continue to prioritise flagship regeneration projects, follow strategies of courting international investors, and hold major events (Zwicky, 2021). However, given that we did not conduct interviews with those working on the national level, it is not possible to definitively conclude that there are internalised senses of inferiority and superiority among the Birmingham and Lyon stakeholders respectively; for example, the contrasting tones of the interviews may be a reflection of local cultural or political factors.

The mood of our interviews in Birmingham is best summarised by one senior council officer working in the urban planning department. When asked about steps that might be taken to maintain housing affordability

in the city, this participant responded: “You can’t solve that locally because the system is the system, isn’t it?” Another participant—this time a former senior officer in Birmingham City Council—described the relationship between the local authority and central government: “The government tells local authorities what to do, and says, if you don’t do it, we’ll take away the money.” This sentiment was repeated by a senior officer working in the council, who described how “when we get funding from the government, it’s centralised. We’ve got very little power [to decide] what we can do.” Participants were highly sceptical about the potential of the new metropolitan government unit, the West Midlands Combined Authority, to affect meaningful change with regard to inequality and deprivation, noting it lacked formal powers or a budget with sufficient resources to tackle these challenges. In comments that echo Hambleton’s (2016) research on the “super-centralisation” of the English state, the devolution agenda was instead viewed by one participant as a mechanism for the central government to intensify its control:

You localise services, which sounds good—giving people more local control—but by doing so, you put responsibility at a level where it can no longer compete seriously with Whitehall, it can’t take them on. You’ve reduced the opposition to your centralising power to small, isolated, powerless units, and you win of course. That’s a great strategy.

In short, the results of our interviews accorded with the criticisms of devolution presented in the literature review, with devolution strategies ultimately resulting in more intense monitoring by central government, reduced budgets, and weaker local autonomy (Blondel & Evrard, 2019; Cox, 2019). We perceived a sense of paranoia or a feeling of being under siege in our interviews in Birmingham. One participant described the tools available to the local authority to tackle the shortage of affordable housing as “trivial,” commenting that housing unaffordability is a “deliberate, top-down action by government.” Another council officer working in a highly deprived ward of the city voiced how they felt that the government is hostile to the council, commenting: “I don’t think it’s a secret that the current administration has a perspective that local councils are inefficient, they’re expensive, everything’s better done by the market and private sector.” This idea of central government seeking to undermine local government was mentioned unprompted in multiple interviews. Given the intense centralisation of the English state and the unbalanced nature of the UK’s politics and economics, we do not think this is simply a matter of Birmingham’s Labour-run council coming into conflict with the Conservative government; instead, we believe it reflects structural issues with how power and resources are distributed, which is to the detriment of cities outside the capital. Indeed, one participant suggested that their perception of the

challenges facing the country is that the central government only thinks about what is good for London’s growth and simply does not care about the other regions. Another participant with a leadership role in the city council spoke of the futility of trying to engage with central government on issues such as inclusive growth:

Being diplomatic about it, given that we’re being recorded, I think we’ve probably given up on national government having the foresight and strategic coherence to do what you’ve just described. And certainly, we’ve given up on them investing in it. It wouldn’t work if we waited, is probably a more delicate way of putting it.

We suspect that what this participant euphemistically described as a lack of foresight and strategic coherence may simply be a lack of interest in achieving inclusive economic growth, given that discussions around this topic would require critically reflecting on the British state’s dominant ideology of free-market capitalism, deregulation, and competition.

Alongside feeling constrained by central government, participants in Birmingham felt that market forces were major determinants of the future of the city. Multiple participants talked about the importance of the city’s growth agenda. When asked an open-ended question about the current situation in Birmingham, an urban planner replied that “it’s all about growth, isn’t it?” Likewise, a senior leader in the council spoke excitedly of Birmingham being a viable commuting distance from London upon the completion of High Speed Two. When asked whether this might gentrify the urban core around the high-speed rail station, this participant replied that “people often say gentrification in a bad way...but subtle elements of gentrification are good,” adding that “if you own your own property, or own property that you rent out, everyone wants to invest and have capital growth in their property.” Another senior leader compared Birmingham’s future to “like being in Zone 6 on the London Underground.” When asked whether this might price local people out of the property market, this participant responded: “Is that necessarily a bad thing if that’s bringing in...[pause] there will still be large suburban parts of the city for Birmingham residents.” Trickle-down economics was thus deeply embedded in the narratives of many of those we interviewed in Birmingham, with very little consideration of the mechanisms by which inclusive growth or spatial justice could be achieved, or how the envisioned benefits of this growth would reach marginalised people.

A more critical view came from a project manager working in the city council, who commented: “We seem to be losing the battle with private developers, who dictate the conditions they’re building on.” This participant added that “there is a strong lobby of businesses that seem to be holding power...they shape the city. They are the ones that are influential and can make decisions

happen.” This highlights the role of businesses and property developers in a wider constellation of institutions perpetuating neoliberal, growth-oriented outcomes in the city. Combined with data showing increasing segregation and growing inequality in the city (Zwicky, 2021) this leads us to characterise the current state of devolution in Birmingham as unjust. Participants in Birmingham seriously doubted their ability to affect change and took a dim view of the autonomy and resources at their disposal, instead seeing central government and market forces as deciding the fate of the city. There appeared to be no mechanisms for achieving spatial justice. Indeed, when asked questions about how the city might intervene to maintain housing affordability, several participants appeared to struggle with the idea, demonstrating the strength of neoliberal ideas among key stakeholders relating to Birmingham’s development.

In contrast to Birmingham, participants in Lyon appeared comfortable with what they described as an advanced state of devolution in the city and related much more positively to the devolution process. Participants in Lyon made fewer references to central government as a constraining force and instead perceived that the metropolitan government covering the city-region could solve problems for itself. Compare, for instance, the rather demotivated comments around housing unaffordability in Birmingham to the optimistic summary of Lyon’s housing strategy by an urban planning officer: “Less social housing where there’s too much, more social housing where there’s not enough. That’s it!” On a similar note, rather than feeling pressure from the central government, an elected politician in Lyon summarised that “the state is gradually disengaging,” leaving the metropolitan government to make decisions for itself. These narratives are consistent with the data from the local autonomy index, where France far outperforms the UK (Ladner et al., 2016). And yet, somewhat unexpectedly considering this rhetoric, our data found that Lyon does not demonstrate dramatically different outcomes to Birmingham when it comes to spatial segregation and injustice. Indeed, we identified the same fixation with investment and market forces in Lyon that we found in Birmingham. Another common theme we uncovered was that participants in both cities tended not to think about citizens as active participants in making decisions about the future, although this was more pronounced in Lyon than in Birmingham, where there appeared to be greater interest in civic engagement.

The leader of a major social housing organisation in Lyon talked about a general mission to improve the attractiveness of Lyon to investors, increase economic growth, and “make sure that Lyon remains known on a European scale.” A senior leader in the metropolitan government told us that “Lyon must be in the top 15 European cities in terms of attractiveness, competitiveness, and economic growth.” While this superficially seems to be a more positive attitude than those encountered in Birmingham, this narrative highlights an underlying belief that inter-

national investors are vital to the future of the city, which is again a repetition of the tropes of neoliberal trickle-down economics encountered in the British case study. However, there were also critical attitudes towards market forces expressed in Lyon. An elected representative spoke about the intensifying gentrification that is transforming Lyon and having a ripple effect on housing affordability throughout the wider urban area. Moreover, participants in Lyon were more candid in their criticisms than the Birmingham participants who often used euphemisms or chose their words very carefully. For instance, the strategic direction of politics in Lyon was repeatedly described as incoherent. In a context of major development projects happening across the city, a senior manager in a civil society organisation rather bleakly forecast the future of housing in Lyon, saying: “We know that people will be evicted.” The former head of a homelessness organisation had critical words about current urban leaders in Lyon, commenting that an influential politician in the city is “fascinated by money....He loves it, being in the middle of all those who have power in the city, predominantly real estate developers.”

We can therefore conclude that, despite different degrees of autonomy, relationships towards the process of devolution, and contrasting views on the constraining power of national government, the urban leaders and housing and development policy stakeholders we interviewed in Birmingham and Lyon ultimately converge with regard to the role of investment and market actors, as well as when it comes to a shared difficulty in defining mechanisms to make economic growth more inclusive or strategies to achieve spatial justice across the city. While those in Lyon had greater tools and resources at their disposal, they appear to be using this capacity to enact a market-led vision of the same future that is being implemented in Birmingham. Both cities seek to attract investment, enhance their economic standing relative to “competitor” cities, and encourage urban regeneration. We should note, however, that participants in Lyon were more engaged around issues such as housing affordability, ghettoisation, and gentrification than their counterparts in Birmingham. They were also able to articulate potential strategies to address these challenges, compared to the urban planner in Birmingham who simply responded: “That’s market dynamics.” For example, alongside seeking to attract international investment, Lyon has invested in social housing, seeing a small increase to 26% of total housing stock by 2018 (Direction Régionale de l’Environnement, de l’Aménagement et du Logement Auvergne-Rhône-Alpes, 2019). By contrast, the 24% share of social housing stock in Birmingham continues to slowly decrease (O’Farrell, 2020a). We thus observe that devolution has given tools and resources that enable local policymakers in Lyon to partially soften the effect of gentrification upon housing affordability, but that devolution as it is currently constructed has not fundamentally disrupted the pro-growth orientation of key decision-makers in the city.

## 6. Conclusions

This article has considered how policymakers in two large second cities relate to devolution and the implications of this devolution for spatial justice. Birmingham and Lyon are differentiated by a more limited extent of devolution in the former than in the latter. Nevertheless, the perceived role of the market in shaping the future of the city was consistent in both, with addressing inequalities being a lower priority than attracting international investment. Within the confines of existing devolution settlements, the ability to construct new social housing was the key tool that participants in Lyon saw as enabling a more inclusive form of development that would not totally displace poorer residents from the city as it gentrifies. In contrast, many of those in Birmingham were similarly committed to flagship projects and regeneration of the urban core, but there was far less concern articulated about the risk of pricing local people out of the city, or definition of strategies to mitigate the impacts of gentrification upon poorer and more marginalised communities.

To close, while we are positive about the potential of devolution to create more just cities, we note the dominance of neoliberal ideas in both case studies as a complicating factor in achieving this end. Our interviews provide substance to the claims made in the literature that devolution is deployed as a tool of neoliberal governance. We found that devolution has not reduced the fixation on growth in either city, but the Lyon case suggests that an important side-effect of devolution is that it can create more empowered local decision-makers who are more optimistic about their capacity to create change. However, we suggest that devolution needs to move beyond its current conceptualisation as simply being a tool for boosting growth or achieving more efficient resource allocation. Devolution strategies need to be balanced with a normative dimension that can come through consideration of spatial justice, and how investments can be made to serve local populations rather than the assumed needs of international investors. The process of devolution also needs to be matched with efforts to build local capacity to make use of devolved autonomy and resources to overcome spatial injustice. As a next step, further research should consider how public participation in decision-making can be integrated into devolution; our interviews in both cities saw citizens generally framed as a group to be acted upon in urban development, rather than a stakeholder actively involved in determining the contours of this process. This could in turn create a cultural and ideological change in the local constellations of institutions tasked with making use of devolved powers. We therefore encourage steps towards achieving a just devolution, as a process that can benefit local people and dislodge the dominant ideas about urban development that have proven themselves unable to deliver more equal cities for all citizens.

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## Conflict of Interests

The authors declare no conflict of interests.

## Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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