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An analysis of Business Improvement Districts in  
Hamburg and London“

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## **Abstract**

This thesis seeks to understand the role of enclosure in contemporary capitalist accumulation. Drawing on the history of commons and enclosure, this thesis puts forwards an understanding of the city as common—a socially produced collective resource—which has become a target for capitalist accumulation in a biopolitical regime of accumulation in which life and experience are a source of profit. Through the lens of enclosure, this thesis seeks to understand the technologies of control and dispossession which contemporary, biopolitical capitalism deploys to gain access to the city and extract profit from everyday urban life; and to understand the results of such practices on urbanity.

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## Introduction & Contextualisation

This thesis seeks to examine the dynamics between the city, capital accumulation and new forms of enclosure.

Enclosure and destruction of the communally held land in seventeenth and eighteenth century England was used by Marx to illustrate an “original” accumulation in capitalist history. However as many have argued since, enclosure of commonly produced and commonly held resources is an ongoing and integral element of the history and operation of capitalism (De Angelis, 2001; Federici, 2009; Linebaugh, 2014). Enclosure is an inherent feature of accumulation, which changes in form, conditions and techniques, whereby capital seeks to generate profit from communally produced and communally held resources. As accumulation regimes change and technologies of power fluctuate over space and time, enclosure adjusts to these conditions and emerges in differing forms in disparate times and places. The “original” enclosure movement is the prime example, through which industrial capitalism destroyed communal resources and lives. But enclosure continues to operate to capture value from contemporary forms of common resources, such as intellectual property, the biosphere and the body, and many more. This thesis attempts to outline the inherent principles of enclosure across time and space, and utilise these principles in a methodological form to measure the operation of new forms of urban enclosure.

Thinking about enclosure requires us also to think about the common or communally produced resources which are the target of capital and enclosures. In rethinking enclosure, this thesis attempts to problematize the concept of the city, and illustrate how this is a communally produced and communally held resource. The city is a distinct form of social and material common. Under changes in techniques and methods of accumulation, the city, viewed as a common, has become a strategic site for capital accumulation and renewed forms of enclosure. Understanding the operation of contemporary enclosures, and the conditions and context of capital accumulation in which they operate, may enable an insight into the dynamics of contemporary capitalism in global cities.

Under contemporary conditions of capital accumulation, the city and urban life have become strategic targets for accumulation. Urban development, governance and culture have undergone a “biopolitical” shift. Elaborated further below, this argument suggests that subjectivity, movement and affect are key variables in generating profit in the city under

contemporary practices of capital accumulation. Whether it be the production of urban experience, marketing lifestyle and aspiration in housing developments or attempting to attract consumers to specific areas to shop, dwell and spend, these examples are characterised by the centrality of the body, cognition and subjectivity; and the presence of accumulation in increasing facets of everyday urban life. To gain purchase on urban life, accumulation manifests itself in contemporary forms of enclosure: development corporations, economic zones, private enclaves, or - the object of analysis in this thesis - business improvement districts. All of these political and legal organisations provide capital with privileged access to the city, cutting through established politico-legal norms to deploy tailored governance regimes and accumulation strategies.

Understanding the dynamics of enclosures such as business improvement districts - the forms of power they deploy, how they operate in differing times and places, and the technologies of accumulation they utilise - is crucial to understand how contemporary global cities operate. This is especially so if we wish to understand how the forces that produce the city can be translated into emancipatory social action for more socially just urban futures. In seeking to realise this kind of political project, recognising that enclosure is an ongoing and present feature of capitalism - adaptive as regimes of accumulation mutate - is an important analytical step. This thesis will attempt to theorise the nature of contemporary enclosures, how these relate to new forms of capital accumulation in the city, and operationalise these reflections in the analysis of businesses improvement districts in two global cities: London and Hamburg.

## Research Question and Methodology

To achieve the analysis described above, the following research question has been formulated: *How are processes of enclosure operating in London and Hamburg to withdraw, diminish and expropriate value from the urban common?* To investigate this question, the research design is split between a theoretical and empirical analysis. The theoretical framework, outlined below, analyses the commons and enclosure and how enclosure is present under changing conditions of accumulation. The empirical analysis, outlined fully in part III, operationalises the theoretical framework to empirically analyse contemporary forms of urban enclosure: business improvement districts, an innovation to allow the private sector to govern districts of the city.

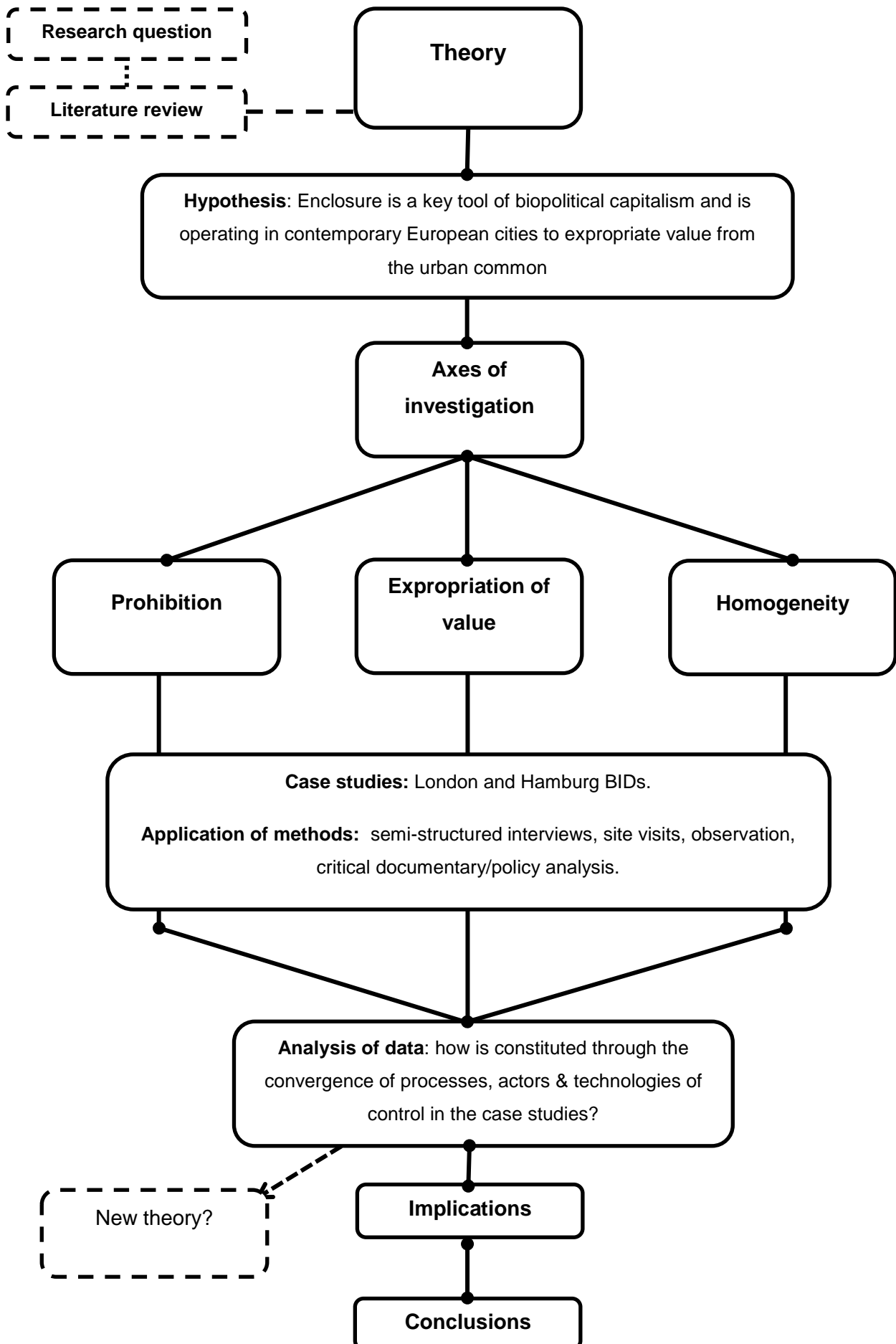
The methodology consists of three areas of analysis, or “axes of investigation” of enclosure (following Vasudevan, McFarlane & Jeffrey (2008)). These axes have been induced from the theoretical framework and reflect the inherent principles of enclosure. Each axis focuses on a



distinct areas of analysis, is subject to a conceptual and empirical analysis, with multiple research methods. This theoretically informed three pronged analysis is intended to provide a holistic investigation into the research question of how contemporary forms of enclosure operate in London and Hamburg.

This thesis is structured as follows. The next part outlines the theoretical framework. It reviews the history and literature of commons and enclosure to argue that enclosure is an ongoing and inherent feature to capital accumulation. It argues that enclosure has been a central tool deployed by capital in order to expand to new spheres which were previously external to accumulation. Chapter 3 argues that advanced capitalist societies are witnessing a transition in the nature of capital accumulation and its urban dynamics. It argues that capital accumulation has taken a biopolitical turn in that accumulation strategies target life itself as a source of profit. It continues by arguing that enclosure is an important technology of power deployed by contemporary capitalism to extract value from urban life, a socially produced common. Part 4 seeks to operationalise this argument. The methodological framework is outlined, which at its core is structured around three “axes of investigation” which have been induced from a review of the history of enclosure: prohibition, the expropriation of value, and homogeneity (or destruction of the common). Each axis consists of a conceptual and empirical analysis which is applied to the case of business improvement districts in the cities of London and Hamburg.

Figure 1 - Overview of research process



## Part I: Theoretical Framework: Commons and Enclosure

### 1.1 The Historical Commons

This section outlines the historical dialectic between the commons and enclosure. It examines how individuals have produced and thrived from socially produced collective resources, and how capitalism has deployed forms of enclosure to extract value from such resources.

In the English context, the term “commons” describes an historical system of holding and governing land that is predicated on the basis of sharing and collaboration that has existed for at least the last 1000 years. It was a system of rights and obligations that provided the commoner - a wide term used to describe those without any land or without extensive land - with access to land for uses such as grazing animals, firewood, food (either foraging or from hunting), rights of passage, and much more. The uses and resources offered by the commons were wide ranging and invaluable to those who depended on them, “all part of a commoning economy and a commoning way of life invisible to outsiders” (Neeson, 1993, p. 40). The commons sustained independence from wage labour. It was a social and economic system of organisation which was prior (and later resistant) to capitalism which was based on the shared use of space and resources. Outside of the paradigms of contemporary ownership, the commons formed part of a political economy described by Gordon as “property rights held and managed collectively by many owners; property relations of dependence and subordination (Gordon, 1995, p. 96).

Rights to the commons were attached to the land rather than the individual, generated through use or custom. Commons were therefore not merely pieces of land to which people had access: they formed the basis of localised ecosystems, underpinned relationships between people and place, and provided the sustenance of life outside capitalism (Linebaugh, 2008). As Neeson puts it

The fuel, food and materials taken from common waste helped to make commoners of those without land, common-right cottages, or pasture rights. Waste gave them a variety of useful products, and the raw materials to make more. It also gave them the means of exchange with other commoners and so made them part of the network of exchange from which mutuality grew. More than this, common waste supported the economies of landed and cottage commoners too. It was often the terrain of women and children. And for everyone the common meant more than income (Neeson, 1993, pp. 158–159).

Crucially, commons and commoning are places and activities: the common was a site, and the relationship to it an active form. It was not natural but created through use.

The example and history of the commons is illustrative when considered alongside how industrial capitalism confronted this system of social organisation and how it sought to extract value from the space and people which constituted the commons. The movement to enclose and extinguish the commons carries significant analytical force in studying historic and contemporary expansions of capitalism. More specifically, explaining and theorising how capitalism destroyed the commons and the associated way of life this way of life speaks more generally to the features, habits and nature of capitalist accumulation. The next section discusses the extinction of the commons through processes of enclosure, before arguing that enclosure is not confined to history, but that enclosure of varying forms of commons across time and space is an integral and ongoing feature of capitalist production and which will be applied to contemporary times.

## **1.2 Enclosure**

“Enclosure” refers to the legal and physical process of extinguishing multiple rights of user in common land and common resources, reducing ownership to one individual. This entailed the “extinction of long-standing common rights to soil, firewood, timber, and, most importantly, pasture” (Vasudevan, McFarlane and Jeffrey, 2008, p. 1641).

These rights were usually legal rights, and enclosure accordingly had to be sanctioned at law, either through agreement or Acts of Parliament (Wordie, 1983, p. 487). Once legally permitted, enclosure required the physical process of enclosing and preventing access, achieved through fencing and hedges (Blomley, 2007; Caffentzis, 2010). Enclosure of commons took place from the 16<sup>th</sup> century to the early 20<sup>th</sup> century (Wordie, 1983; Howkins, 2011). Processes of enclosure varied across England in geography, intensity and effects, but the predominant motivation of enclosure was a desire to improve agricultural production and technology by managing land and production process on a larger scale. Enclosure was most intense in the 18<sup>th</sup> century, and was a crucial element in enabling the emergence of industrial capitalism.

Enclosure enabled emerging industrial capitalism to expand into new domains, to deploy new technologies and to subsume the rural population as wage labourers. Enclosure therefore concerned space and power; it provided the space necessary to implement new agricultural technologies and improve productivity and therefore profit (Hill, 1975, p. 130; Hodkinson,

2012, p. 502); and enclosure created a labour force deprived of the sustenance and independence provided by the common, rendering villagers susceptible to capitalist discipline. The freedom and independence from of the rural poor from wage labour was a significant barrier to capitalist expansion in 18th century England (Thompson, 1993). Enclosure enabled capital to take "control over the whole life of the labourer as opposed to the purchase...of his labour power" (Thompson, 1993: 36, original emphasis). Enclosure "turned commoners into labourers" (Neeson, 1993, p. 18).

For Marx, enclosure was a central part of "primitive accumulation" in that it separated producers from the means of production. This was, he argued, because the "capitalist system pre-supposes the complete separation of the labourers from all property in the means by which they can realize their labour" and thus "divorces the producer from the means of production" (Marx, 1982 [1864], pp. 874–5). In Marx's language, extinction of the commons separated the villagers from the means of production, rendering them unable to realise their labour power, and enabled the formation of capitalist class relations. And this broadly worked: in separating the commoners from the commons, enclosure led to a great increase in employment (Mingay, 1997). The new technologies of the industrial revolution absorbed farmers and cottagers who could not survive without the commons, such as textiles, iron working, and machine making (Mingay, 1997, p. 139). Furthermore, Hodkinson points out that the enclosure movement enabled the expansion and intensification of capitalism by

simultaneously transforming the social means of (re)production into private property and enforcing proletarianisation (i.e. making people dependent on wage labour to literally survive); *enclosure's role was essential as the physical-legal process that smashed the protective shield of common right that previously protected the peasantry from total wage dependence* (Hodkinson, 2012, p. 503, my emphasis).

Enclosure and destruction of the commons was a violent process, fundamentally changing the nature of rural life and social organisation. It cannot be easily quantified; but Boyle sums it up well:

Some of these costs were brutally and relentlessly "material"—for example, the conversion of crofters and freeholders into debt-peons, seasonal wage-laborers... But other harms are harder to classify: the loss of a form of life; the relentless power of market logic to migrate to new areas, disrupting traditional social relationships and perhaps even views of the self or the relationship of human beings to the environment" (Boyle, 2003, p. 35).

Enclosure, however, was not a unique historical process that enabled the emergence of industrial capitalism: it is an ongoing, inherent feature of capitalist accumulation. Differing forms of enclosure have continually been deployed by capitalism to extract value from varying forms of commons and communally produced resources to reproduce and intensify capitalist accumulation. As Marazzi argues, enclosure is “a process that historically re-emerges every time the expansion of capital clashes with the commune produced by social relations and cooperations free from the laws of capitalist exploitation” (Marazzi, 2010, p. 43). The next section seeks to synthesise general principles of enclosure that are present in its operation across time and space in order to study its contemporary (urban) manifestations. These will then be used in the methodological framework to measure the contemporary operation of enclosure under capitalism today, where it will be argued that enclosure operates to extract value from the communally produced resource that is the city.

### 1.3 Principles of Enclosure

General principles and characteristics can be synthesised from the history of enclosure to describe its operation. As De Angelis argues, there is no clear cut temporal link between primitive accumulation and mature accumulation; the enclosure movement did not represent a single transition from feudalism to capitalism, representative of some form of primitive accumulation. Instead, as De Angelis stresses, we should focus on the continuation of enclosure “and its fundamental persistence in mature capitalist economies” (Angelis, 2001, p. 19). From land grabs and dispossession in the global south to the privatisation of knowledge in the broadest sense; from private and secessionary developments in the city to the dismantling of the welfare state; such methods of accumulation constitute capital’s continuous enclosures.

The Midnight Notes Collective argue that enclosure was not “a one time process exhausted at the dawn of capitalism” but is rather “a regular return on the path of accumulation and a structural component of class struggle” (Midnight Notes Collective, 2001, p. 1). Similarly, Jeffery et. al. (2012) argue that accumulation by dispossession is “clearly not a bygone era of capitalism, but is central to how capitalism operates” (Jeffrey, Mcfarlane and Vasudevan, 2012, p. 1248). Brown argues that capitalist accumulation continues “to enclose new resources, land, and labor” in its “pillaging of ever more distant corners of the globe the people who inhabit them” (Brown, 2013). And Hodgkinson notes that

in advanced capitalist countries we are seeing the restoration of old enclosures through ‘rolling back’ the state interventions (public ownership, universal services) and class

compromises of the 20th-century Keynesian Welfare State that created degrees of collective protection from untrammelled market forces and exploitation... (Hodkinson, 2012, p. 507)

There is accordingly an urgent need to analyse these varying forms enclosure and expropriations dialectically with the various common held resources targeted by capitalism. As Jeffrey et al argue, “enclosure needs to be rethought and broadened from its Marxist origins as a basis for thinking both the articulation of neoliberal norms and a resurgent and violent form of geopolitics” (Jeffrey, Mcfarlane and Vasudevan, 2012, p. 1248). The important point about the continued presence of enclosure “is a difference in the conditions and forms” in which it operates (De Angelis, 2001, p. 6). Changes in the nature of enclosure reflect the changing nature of accumulation and the barriers it needs to surmount. The following principles of enclosure can be induced from its various manifestations to study its operation across time and space, and will later be used in the methodological framework.

#### i. Separation and Prohibition

As a technology of capitalism, De Angelis, drawing from Marx’s work, highlights the core role of enclosure as a process of *separation* (De Angelis, 2001). In De Angelis’s work separation takes on a double meaning. Firstly, separation is used in the sense of a demarcation of a resource for the exclusive use of a capitalist to extract value from, underpinned by law and property relations. Secondly, separation is used to refer of removal of users from that resource and subjecting them to capitalist discipline in its management and use. Thus, De Angelis suggests, the separation of the producers from the means of production is a critical insight, “*the central category of Marx’s critique of political economy*” and reveals that separation is common to both primitive accumulation and accumulation in mature capitalist societies - “the difference between accumulation and primitive accumulation, not being a substantive one, *is a difference in the conditions and forms in which this separation is implemented*” (De Angelis, 2001, p. 6, my emphasis). While the technologies of power deployed to achieve this vary across space and time (law, physical control, surveillance), the process of separating a class of users from a resource in order to extract profit from it is a central aim of enclosure.

#### ii. Exploiting Value

Secondly, linked to the above, the prohibitive nature of enclosure is intimately linked to its goal of value exploitation. Enclosure is a form of power that moves a resource into the circuits of capitalist production and enables profit to be exploited from it. Returning to the old enclosures

discussed at the beginning of this thesis, enclosure deployed prohibitive technologies of power to prevent the access and the use of the commons to enable capital to exploit value from the resource - in the form of productive technologies, new economies of scale and creating a class of wage labourers. The prohibiting of certain forms of social organisation, conceptions of land and resources, was necessary to exploit value from these commons. It is therefore a sequential process.

### iii. Homogeneity, or Loss of the Common

Thirdly, and linked with the above two points, prohibition and the expropriation of value diminish the common and lead to capitalist homogeneity. Again recalling the old English commons, enclosure destroyed this way of life in enclosing the commons and exploiting value from this resource. More specifically, enclosure crystallised a larger power struggle about what kind of social structure would prevail, and in whose interests it would work for. In this context, enclosure constituted a form of “social restructuring” (Neeson, 1993, p. 44). However, enclosure continues to constitute a mode of social ordering, advancing a capitalist vision of society over other forms of social life. Enclosure destroys alternative forms of social organisation that are based on collaboration and social justice because it transforms the basis of social reproduction into capitalist the capitalist domain and capitalist discipline:

While enclosure is rightly seen as a technology of dispossession and subjection, it also speaks, we believe, to the foreclosure of alternative forms of ‘sociality’ that strive to imagine and represent that which is ultimately *common* (Vasudevan, McFarlane and Jeffrey, 2008, p. 1644).

In summary, enclosure can expansively be described as a technology of power which enables capital to capture value which is produced externally to it, with common, underlying features. This thesis argues contemporary capitalism has developed new techniques of accumulation and new forms of enclosure to target new sources of profit. The remainder of the theoretical framework outlines this transition: that capitalism is increasingly concerned with extracting value from collectively produced resources which were previously off limit to accumulation processes - such as the city and urban life - and enclosure can be used as an analytical tool to understand the techniques and technologies of power which it utilises to do so.



## 1.4 Fluctuations in Capital Accumulation and Continuous Enclosures

This section theorises the contemporary conditions of capitalist accumulation, how this differs from previous regimes of accumulation, and the ways in which enclosure has changed with the regime before investigating its existence in two contemporary cities. It will be argued that contemporary capital accumulation has taken a qualitative shift towards a form of “biopolitical” accumulation whereby the calculated management and intervention upon the lives of the populous is a source of profit. As Marazzi puts it, biocapitalism “is characterized by its growing entanglement with the lives of human beings...[which] produces value by extracting it not only from the body functioning as the material instrument of work, but also from the body understood in its globality” (Marazzi, 2010, p. 50). The emergence and nature of this regime are outlined, before arguing that the urban context of this accumulation regime is an important factor to be analysed. It is then argued that enclosure is key method by which this regime captures value from urban life, and that its principles and nature can be used as an analytical tool to study the dynamics of accumulation and cities.

### 1.4.1 Emergence of Biocapitalism

[Capitalism is] not a fixed and unforgiving force. Rather, it is a heterogeneous and continually dynamic process of increasingly global connection - often made through awkward and makeshift links” (Thrift, 2006, p. 286).

...there has been a qualitative shift in the forms and ontologies of capitalism...which has become increasingly apparent over the last two decades and eventually been brought into full view by the occurrence of the economic crisis. In this sense, the crisis is to be seen as the event shedding light on the very essence of contemporary capitalism (Rossi, 2013, p. 1068).

Thrift (2006) suggests that Western capitalism has been suffering from a prolonged profitability crisis. He argues that “what evidence there is suggests that, over a considerable period of time, Western capitalism has been in a long-term downturn following on from the post-war boom, based on overcapacity and overproduction” (Thrift, 2006, p. 283). Attempts to “soak up overproduction and overcapacity” have failed, and instead the *nature* of capitalist accumulation is changing, and what “might be regarded as a set of new fuel sources for capitalism are coming together as a powerful system, new sources of energy that capitalism can tap” (Thrift, 2006, p. 283). These sources are common forms of wealth, which, according to Hardt and Negri, contemporary capital accumulation is increasingly predicated on exploiting. They state that progressively “the results of capitalist production are social relations and forms of life.

Capitalist production, in other words, is becoming biopolitical” (Hardt and Negri, 2011, p. 131). This ranges from extracting value from the natural environment, to commodifying social relationships and attempting to produce subjectivity and affect. The distinct use of the term “biopolitical” is inspired by Foucault and his theorisations on how governmental power has taken a distinct biological turn. Biopower, according to Foucault, is a distinct form and technology of power a “that has taken control of both the body and life or that has...taken control of life in general – with the body as one pole and the population as the other” (Foucault, 2003 [1975], pp. 253). It is a form of power which is concerned with the population, not “society” nor “the individual”, but the mass, and biopower develops specific technologies to operate upon and govern the mass and upon life (Foucault, 2003 [1975], pp. 242–243). Drawing on Hardt and Negri, this section argues that capital accumulation has taken a biopolitical shift, deploying techniques and forms of power to control and extract value from contemporary cities and urban life. This regime has important urban dynamics, and it will be argued that the external biopolitical environment which capital targets is the city and urban life. The remainder of this section details the emergence of biocapitalism and its operation in cities.

The roots of “biocapitalism” can be found in the shift to a consumer society in the 1970s. The building of a “society of consumers” went hand in hand with the expansion of credit to fund consumption and the broader financialisation of Western economies from the 1970s onwards (Rossi, quoting Bauman (Bauman, 2007)). The expansion of consumer credit led to a new concern of the *life* of the consumer - their wants, needs and aspirations. This shift constituted a framing of consumption and the individual consumer “at the centre of the functioning of advanced capitalist societies” with the related shift in production becoming “increasingly immaterialized” through the creation of brands and managing consumer aspiration (Rossi, 2013, p. 1069). Rossi argues that

the emergence of consumption as a privileged site for the fabrication of self and society, of culture and identity, as well as the blurring of conventional production/consumption dichotomies through the co-creation of commodities with consumers, have led to a profound metamorphosis of capitalism in Western societies (Rossi, 2013, p. 1069).

The creation of consumer society, within the broader context of financialisation, was seen as a solution to the profitability crisis after the “exhaustion of the technological and economic foundations of Fordism” (Marazzi, 2010). A desire to bring back the high profit levels enjoyed prior to the 1970s crystallised in reductions in the cost of labour, attacks on unions,

automatization, “precarization” and concerted attempts to facilitate consumption and financialisation (Marazzi, 2010, p. 31; see also: Leitner, Peck and Sheppard, 2007). Increasing access to credit through processes of financialisation increased consumption and home ownership, encouraging further deregulation and accessibility of credit to the masses. These processes constitute a new focus on the *life* of the consumer and the incorporation of life into the circuits of capital accumulation on a hitherto unprecedented scale: the “politics” of life, in the broadest sense, became a target for value exploitation.

The neoliberal turn of the 1970s onwards and the shift towards a consumer society and financialised economy constitutes the beginning of a biopolitical form of capitalism in advanced capitalist societies whereby the bare lives of the populous become a source of profit through consumption, debt and aspiration. In expanding credit to the middle and lower classes, capitalism’s target was life - indebted life or more specifically, indebted *urban* life beyond the historic categories of worker, employee and so on. As Rossi puts it, in the last three decades of neoliberalism, capitalism has needed to involve the urban poor and middle classes “under modified conditions of capital valorization, *not just as exploited workers but also as over-indebted consumers and households lacking full legal protection*” (Rossi, 1071, my emphasis). This is a form of profit that derives from the targeting of life - nothing is produced or created, leading Marazzi to argue that “this capitalism must invest in the bare life of people who cannot provide any guarantee, who offer nothing apart from themselves” and is thus “a capitalism that turns bare life into a direct source of profit” on the basis of calculation (Marazzi, 2010, p. 39; see also Heeg, 2015).

Taking this reasoning further, Hardt & Negri argue that contemporary capitalism has transitioned away from production that rests on industry and material goods; they argue that today capitalism produces exploits individuals and common social goods, including social relationships, knowledge and the city in the broadest sense. They state that contemporary capital accumulation is characterised by the “production of common forms of wealth, such as knowledges, information, images, affects and social relationships, which are subsequently expropriated by capital to generate surplus value” (Hardt and Negri, 2011, p. 139).

Hardt and Negri describe this as the “biopolitical turn of the economy” or, drawing on Boyer, “the production of man by man” (Boyer, 2002, p. 192). At the centre of this system lies “living beings as fixed capital” and the production of “forms of life” as “the basis of added value” (ibid). Hardt and Negri suggest that within a system of biopolitical or cognitive capitalism “the

object of production is really a subject, defined, for example, by a social relationship or a form of life" (Hardt and Negri, 2011). Crucial in their analysis is that the realisation of value is *exterior* to the production process: biopolitical capitalism targets externally produced forms of common wealth - social relations, culture, knowledge - which capital seeks to abstract, capture and privatise through enclosures (Hardt and Negri, 2011, p. 156). In the biopolitical phase, capitalism creates value by subsuming its contextual environment - it "internalizes" its outside environment through technologies of power (Rossi, 2013, p. 360). Or as Marazzi puts it, we have witnessed "the externalisation of value production, of its extension into the sphere of circulation" (Marazzi, 2010, p. 51). This regime of accumulation has an inherent urban dynamic - the externalities capitalism seeks to accumulate wealth from is the city, urban life and urban culture. These common forms of wealth are the target of contemporary accumulation, considered further below.

### **1.5 Biocapitalism, Cities and Immaterial labour**

This analysis provides a significant conceptual tool to think about the city and contemporary accumulation. The operation of biopolitical capitalism can be seen in the cities of advanced capitalist societies: from the "privatisation" of urban space, urban governance that seeks to manage experience, and increased inter-urban competition based on place attractiveness and consumption. In these examples capital can be seen to be operating to exploit elements that are ultimately common through targeted enclosures to bring these externalities within the circuits of accumulation. Such enclosures transform urban life into forms of immaterial labour, whereby actions not traditionally considered as labour become economically valuable. Biopolitical capitalism enrolls individuals in processes of immaterial labour and production, orchestrating behaviour which generates value for capital, such as consumption, communication and use of the city. As an expansionary regime of accumulation biopolitical capitalism is ever reaching into areas hitherto inaccessible. It is a system of value creation that does not operate through confined sites, such as the factory or the sweatshop, but instead captures value through calculative practices and interventions upon life itself.

At the heart of these examples is the process of producing subjectivities and effects in order to increase urban property values and consumption. Urban space and its resources become a factor in economic production in order to be manipulated to produce value. To some extent biopolitical shift has been captured by the term "the experience economy." Contemporary capitalism realises value through exploiting the relationship between urban space and the

subjectivity of its users. Pine and Gilmore (1999) argue that the targeting of subjectivity and the production of experience by businesses “represent an existing but previously unarticulated *genre of economy output*” (Pine and Gilmore, 1999, p. ix, original emphasis). Urban governance under the experience economy, is, according to Wood & Ball, predicated upon “the elicitation of affect” (Wood and Ball, 2013, p. 48). They suggest that

this process also rests on the exploitation of subjects as labourers not just consumers, without whose productive effort in consumption or prosumption – the constant generation of data upon which this affective economy is built – reproduction of this apparatus would be impossible (Wood and Ball, 2013, p. 48).

The site at which these practices and interventions is crucial for the purpose of this thesis: the city. For the purpose of this thesis, biopolitical capitalism is a mode of production that operates not just upon life, but specifically urban life. In contemporary capitalist cities, capitalism extracts value from that which is produced around it and external to it via forms of enclosure: the movement of bodies, social relations, communicative networks, information, subjectivities: urban life in the broadest sense. The social production of the city is the common from which capitalism is extracting value from via biopolitical technologies of control that operate at the level of life itself. For Hardt and Negri, this social production is our “common wealth”, and the city the locus of its production:

The city...is not just a built environment consisting of buildings and streets and subways and parks and waste systems and communications cables but also a dynamic of cultural practices, intellectual circuits, affective networks, and social institutions. These elements of the common contained in the city are not only the prerequisite for biopolitical production but also its result; the city is the source of the common and the receptacle into which it flows (Hardt and Negri, 2009: 154).

The next section will consider in more detail how the city constitutes a common, before examining how contemporary, biopolitical accumulation targets urbanity through enclosures.

## 1.6 The City as Common

“The activity of commoning is conducted *through* labor *with* other resources; it does not make a division between “labor” and “natural resources.” On the contrary, it is labor which creates something as a resource, and it is by resources that the collectivity of labor comes to pass...Commoning has always been local.”

- Linebaugh (2014, pp. 13–14)

“(Social) space is a (social) product...Many people, finding this claim paradoxical, will want proof. The more so in view of the further claim that the space thus produced also serves as a tool of thought and of action; that in addition to being a means of production it is also a means of control, and hence of domination, of power.”

- Lefebvre (1991, p. 26)

The city is a dense environment of contact, knowledge, communication, culture and potential. Hardt and Negri describe the city as “vast reservoir of common wealth” (Hardt and Negri, 2011). It is the basis of social reproduction. It is the foundation of a shared way of life, a shared culture and of social reproduction: as Hardt and Negri would put it, the city is our *common wealth*. In turn, the city is not a pre-given. As argued by Lefebvre, space is not a “thing” but a set of relations between things and people (Lefebvre, 1991). Specifically, urban space is produced by the social relationships of its inhabitants and it is reproduced and remade by the inhabitant. Similarly, Amin and Thrift suggest that urban space “is an amalgam of often disjointed processes and social heterogeneity, a place of near and far connections, a concentration of rhythms; always edging in new directions” (Amin and Thrift, 2002, p. 8).

In the process of our use and re-use the city - the common - is produced. It is a relationship of continual reproduction. This gives rise to urbanity as we understand it: vibrant cities characterised by difference, by rich cultural and spatial practices, by the opportunities it offers and by the possibility of the encounter with others. In the productive possibilities of the common we can find the roots for a new of organising the social body that is predicated on the collective and shared use of resources and social justice. The urban element of the common is key. As Harvey suggests, the city possesses the potential to build a more socially just world on the basis of the common (Harvey, 2012).

De Angelis (2012) has worked extensively with the term and highlights how capitalism has continually sought to extract value from the commons, which he provides three insights to:

- 1) They are everywhere, diffused throughout the social body because all forms of social cooperation “in which people pool resources and engage in non-commodified practices”.
- 2) They are multi scalar, made much easier via information technology, enabling non-commodified cooperation to jump scales;.
- 3) They sit aside other larger social systems (De Angelis, 2012, p. 11).

Viewing the city as common is to focus on the relationship between its space and its users and the social world they produce. It is also an emancipatory concept in that it imagines alternative ways of governing and sharing the city based on collectivity. It is argued by many that the forces of the common can be translated into social action and governance (Borch and Kornberger, 2015; Dellenbaugh *et al.*, 2015). It is thus a way of viewing actually existing urban space and the potential that urban space holds.

It is also necessary to understand how biopolitical capitalism is exploiting the common as a source of value, and how this inhibiting alternative forms of social organisation. Contemporary, biopolitical capitalism operates to enclose the urban common and expropriate value from the spaces, use, life, social relationships and management of the city. The next section elaborates how biopolitical accumulation utilises enclosures to extract value from the common that is the city.

## **1.7 Biopolitical Enclosures**

Following Hardt and Negri, it can be argued that this represents the subsumption of “...society as a whole, or really, social life itself, since life is both what is put to work in biopolitical production and what is produced” (Hardt and Negri, 2011, p. 142). Whereas industrial capitalism brought about the formal subsumption of life into the circuits of accumulation - the worker was a worker in the confines of the factory - contemporary, biopolitical capitalism brings about the real subsumption of life itself. The individual is the target and worker of capital at all times in their life - in work time, social relationships and daily life. The “subsumption of life itself” is “transforming the very nature of capitalism through the incorporation of knowledges, emotions, affects and linguistic qualities within the capitalist process of production and socialization” (ibid).

To illustrate this argument, this section now reflects on some of the strategies and tools contemporary biopolitical enclosures deploy to expropriate value from urban life.

### **a) Discipline and Prohibition**

Biopolitical enclosures seek to gain purchase upon urban life to intensify branding and consumption. To enrol consumers into forms of immaterial labour, enclosure must shape the context of the city to enable accumulation. In shaping the urban environment, prohibiting some behaviours and urbanites and deterring others, biocapitalism shapes the context of life and consumption in its favour, capturing and commodifying “...the autonomous productivity of

consumers...as it unfolds ‘naturally’” (Arvidsson, 2005, p. 249). It deploys governmental technologies which shapes the social production of the common, enrolling technologies of control and legal regulation to shape the nature of urban life.

Contemporary capitalism demonstrates a concern over urban life and subjective experience of the city in directing movement, attracting and dispelling; for example, fostering place attractiveness to attract the affluent but deterring other users and uses. In the post-industrial city, enclosure becomes part of a strategy “...moulding of subjectivities and social relations for purposes of capital accumulation in encounters where production and consumption coincide” (Murtola, 2014, p. 836). The early onset of this has been captured in critiques of shopping malls and the “Disneyfication” of urbanity, but this was previously confined to specific sites and spaces (Sorkin, 1992) - contemporary capitalism attempts to bring the policing of malls into all spheres of urbanity, excluding individuals and uses that are a barrier to capital accumulation.

### **b) Extracting Value**

Biopolitical capitalism seeks to manage and generate values from the experience of urban space and collective urban subjectivity. Under this regime urban experience becomes “a commodity or a means of capital accumulation” and “the moulding of subjectivities and social relations for purposes of capital accumulation in encounters where production and consumption coincide” (Murtola, 2014, p. 836). This constitutes a “command of capital over life” (ibid) and, as discussed above, it represents the real subsumption of life into capitalist accumulation, captured by Murtola:

Experience is part of the innermost being of human life. Thus the commodification of experience can mean nothing but an attempt to draw life into the capitalist circuit of valorization, in which work and life, labour and leisure, production and consumption, become increasingly intertwined. The commodification of experience today therefore also offers an important window for inspection of the contemporary operation of capital” (Murtola, 2014, p. 837)

Contemporary capitalism seeks to enrol urbanites and experience of space into processes of capital valorisation through appealing to perception of space and identification with space to increase consumption, brand values and property values. This blurs the lines between consumption and production: the subjective belief and identification with a brand increases its value and profitability. In this light, consumption becomes a form of immaterial labour and the “work” of the consumer creates profit: “...conceptualized as one manifestation of the



‘immaterial labour that contemporary Marxists (and non) see as increasingly central to post-Fordist capitalism’ (Arvidsson, 2005, p. 238).

Importantly, for consumption and branding to work as immaterial labour, capital has to capture the value of these activities. Biocapitalism must “ensure that consumers do enact the intended brand identity...to make the brand function as a programming device” (Arvidsson, 2005, p. 244). This means that biocapitalism must articulate effective technologies of power which operate on urban subjects and achieve the required outcomes; in other words, orchestrate a form of brand management which “anticipates and programs the agency” of urbanites (Arvidsson, 2005, pp. 244–45).

### **c) Diminishing the City**

Through calculated management of the city and social relations, contemporary capitalism diminishes the heterogeneity of the city. Activities, forms of life and alternative conceptions of urban space are eliminated, and the remainder are subject to complex biopolitical technologies. This form of accumulation as outlined above is therefore characterised by subjectification and the imposition of capitalist logic on all facets of the social production of the city. It seeks the

...encapturing of people, place, space and culture within the commodifying and alienating logic of capital accumulation and the competitive, marketising logic of neoliberal rationality. To be ex-closed from the means of life means to be enclosed within the accumulation process, and the particular logic and rationale of capital.” (Hodkinson, 2012, p. 509)

Recalling the dialectic between enclosure and the common discussed above, the previous reflections on the operation of biopolitical capitalism can be characterised as enclosures, and the target of the operation - the city and urban life - as a common. The apparatuses, mechanisms or technologies of power which enable capital to generate value constitutes forms of enclosure. The principles and nature of enclosure discussed above will be used below to construct a methodological framework to analyse the operation of biocapitalism in contemporary cities in the form of business improvement districts.

## Part II: Methodological Framework

### 2.1 Introduction

This section sets out how the above theoretical framework is to be operationalised to study contemporary urban enclosures: business improvement districts.

The concept of enclosure is the theoretical and methodological underpinning of this thesis. It is argued here that enclosure can be utilised to study the operation of contemporary capitalism and its urban dimensions. Vasudevan et. al. argue that there is

a need for an expansive conceptualization of enclosure adequate to the task of encountering the contemporary moment...a notion of enclosure that encompasses a complex set of sometimes overlapping, sometimes distinct set of spatialities of inclusion and exclusion, modes of subjectification, and technologies of power driven by economic, political and biopolitical logics and processes” (Vasudevan, McFarlane and Jeffrey, 2008, p. 1645)

The theoretical framework has sought to expansively conceptualise enclosure; this section seeks to operationalise these reflections to study the contemporary manifestations of enclosure.

### 2.2 Axes of Investigation of Enclosure

Following a critical review of the literature, three “axes of investigation of enclosure” (following Vasudevan et al 2008) have been induced from the reflections and theorisation of enclosure: **prohibition**, **expropriation of value** and **homogeneity**. These axes reflect the ongoing, underlying elements of enclosure and constitute the structure of the methodological framework. Each axis consists of a conceptual and empirical analysis, guided by a sub hypothesis, and is subject to multiple research methods (semi-structured interviews, critical policy analysis, photography and mapping, site visits). The axes of investigation are set out in full detail below, in addition to a visual overview of this methodology.

Each axis of investigation in this framework constitutes an integral feature to the creation of enclosures, and therefore represents a distinct area of analysis of three areas: the formation of the enclosure, its operation and the implications. This analytical framework is designed to be applied to differing forms of enclosure in differing times and places; or in other words, to investigate the “seizure of the commons by different actors through time” (Vasudevan, McFarlane and Jeffrey, 2008, p. 1642) For the purpose of this thesis, the methodology is

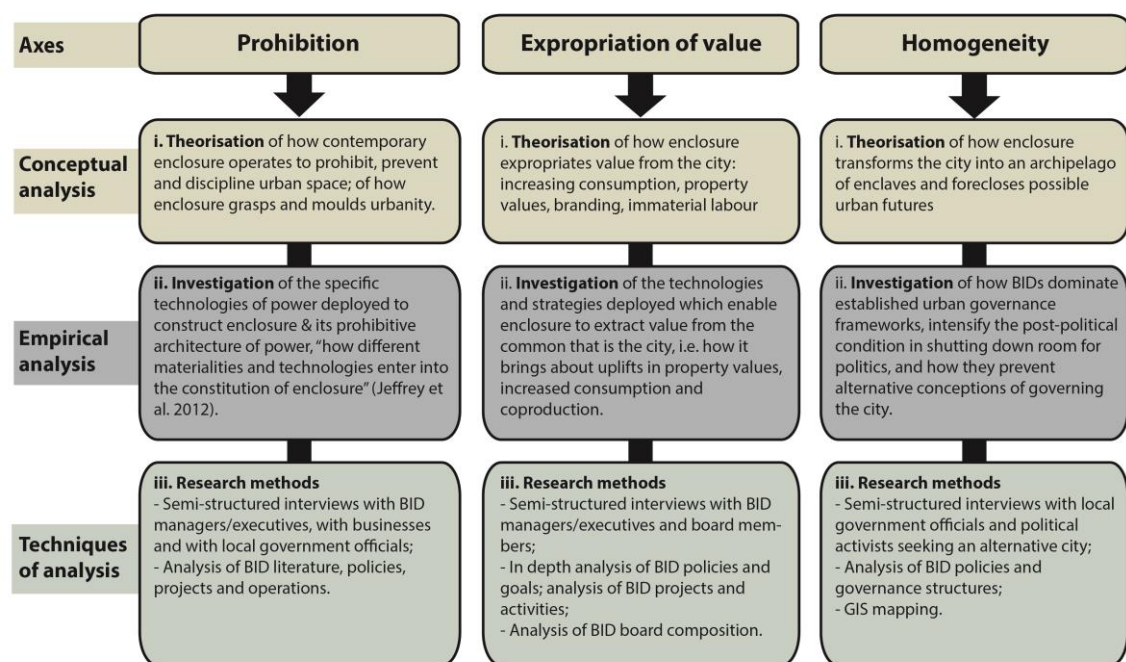
utilised to study two BIDs as a form of enclosure: the Victoria BID in London, and the Neuer Wall BID in Hamburg.

**Table 1 - Axes of Investigation**

<b>Prohibition</b>	<p>This axis refers to the central desire or aim of enclosure to prevent, stop or change behaviours, activities or ways of life. The aim, desire or intention will vary depending on context, but as suggested in the theoretical framework, enclosure is a tool of capitalism to exploit value, so it is therefore likely that the nature of the prohibition reflects this. This axis questions the following: what are the varying aims and objectives, what are the material and social networks that bring it into existence, what are the technologies of control deployed to create it, and so on, following the “driving question” posed by Jeffrey et. al. of “how different materialities and technologies enter into the <i>constitution</i> of enclosure” (Jeffrey et al. 2012, p.1248, original emphasis).</p> <p>In the English enclosure movement, this axis can be seen in that the aim of enclosure was to prohibit activities, access and use through the use of socio-technical instruments of control to alter subjectivities and expropriate value. Each of these could be explored in turn under this axis: what was being prohibited; how this fed to broader needs of emerging liberal capitalism; the nature of the technologies of power (fences, hedges, laws, signs, concepts of property, violence and so on). It could be used to explore the broader network of actors who brought enclosure into existence and those who resisted it.</p>
<b>Expropriation of value</b>	<p><b>Expropriation of value:</b> this axis is designed to lead investigations into how enclosure seeks to expropriate value from the common: from, people, spaces or resources. Expropriation of value is achieved when assembled with prohibition, discussed above. Referring again to the theoretical framework, enclosure is a tool of capitalism to generate or exploit value from areas, fields or terrains that were previously off limits to the reach of the market. This axis will be used to investigate how the expropriation of value is assembled, and how, in the biopolitical epoch of capitalism, value is generated from the common.</p> <p>In the context of the English enclosures, value was produced from the common by changing the nature of the landscape. New industrial technologies were deployed, land underwent financialisation and speculation and a new labour force was created. This axis can be used to investigate the specific technologies and activities undertaken to generate value, closely linked to prohibition as this is necessary to allow the exploitation of value (i.e. prohibition is prior: value generation can begin once prohibition emerges).</p>
<b>Homogeneity (or the loss of</b>	<p><b>Homogeneity (or the loss of the common):</b> this axis is concerned with how enclosure assembles to create a diminished public realm through targeting subjectivity, sanitised public</p>

**the common)** spaces, and the foreclosure of alternatives. In exploiting value from the common, biopolitical capitalism drains it of its distinction and uniqueness. In the enclosure movement of the 18<sup>th</sup> century, the commons were destroyed - and in the process the rich customary cultures, practices and ways of life exterior to capital that had been built up over time were also destroyed to create a homogenous labour pool that could be utilised by rising industrial capitalism. In the biopolitical epoch of capitalism enclosure seeks to target subjectivity and behaviour through socio-technical instruments of control. This axis also represents how enclosure is a tool to reproduce capitalism, via new technologies of control, in new domains previously off limits.

**Figure 2 - Methodological Framework**



This methodology is intended to produce a holistic and critical overview of the operation of contemporary, biopolitical capitalism in two global cities; how enclosure remains a feature of this regime of accumulation; and what the consequences are for the possibility of constructing possible, socially just urban futures. The next section discusses the case studies before applying the axis of investigation.

## Part III: Enclosure Case Studies: Business Improvement Districts in London & Hamburg

### 3.1 Introduction

Business Improvement Districts (hereafter 'BIDs') have been selected as the object of analysis of this thesis as they manifest many of the characteristics of enclosures under a biopolitical regime of accumulation, described in the theoretical framework above. They are intimately concerned with extracting value from urban space and urban life through calculated biopolitical management and intervention, and they work to foreclose possible urban futures. This section outlines the nature of the BID policy globally, before analysing their operation in London and Hamburg through the above methodology.

A BID is defined by Cook as “publicly sanctioned yet privately directed organisations that supplement public and private services to improve geographically defined, outdoor public spaces and business services...funded primarily through a multi-year, compulsory business taxation mechanism” (Cook, 2008, p. 774). Similarly, Morçöl and Wolf define BIDs as “self-assessment districts that are usually initiated and governed by property or business owners, enabled by state laws, and authorized by local governments to provide public services in designated urban and suburban area” (Morçöl and Wolf, 2010, p. 906). They are organisations, formed by businesses and financed by businesses, to manage defined parts of city space and provide services in addition to that of the local government - such as cleaning, security, maintenance and marketing - which are perceived as benefitting the local area.

Generally speaking, the process to establish a BID requires that a proposed BID is supported by a majority of the businesses in the district via a ballot. Furthermore, BIDs - again generally speaking - consist of a management body which deals with the operation and management of the BID on a daily basis, and a Board of Directors which meets less regularly to oversee the strategic direction and operations of the BID.

### 3.2 Emergence of BIDs

The BID model emerged in Toronto, Canada, in the 1960s; but it was not until the 1990s that the model became globally prominent (Ward, 2006; Stein *et al.*, 2015, p. 5). Lippert (2010) suggests that the BID is about “as unspectacular as a device can be” but “in recent years it has mutated into a significant mechanism of urban governance” (Lippert, 2010, p. 478). As Clough and Vanderbeck point out, BIDs took on prominence in the 1990s in the proliferation of new

public management schemes, discourses of urban decay, and the gradual ceding of control of public resources to the private sector (Clough and Vanderbeck, 2006, p. 2266)

BIDs were seen as effective vehicles for economic revitalization in urban centres, and formed a broader policy experimentation in urban governance, and “BIDs became powerful agents of urban revitalization in places that experienced a massive roll-back of public funding” (Stein *et al.*, 2015, p. 8). But as Stein *et al.* points out, their development is not universal, and in cities where decay and neoliberalism have not been as apparent, BIDs have proven less popular. Initial experimentation occurred in the U.S., but from 2002 onwards the model became more popular globally, with legislation introduced for their creation in Germany, England and Wales, Ireland, Serbia, the Netherlands and Albania in the early 2000s, with legislation already existing prior to 2002 in Canada, New Zealand, Jamaica and South Africa (Cook, 2008, pp. 774–775; see also Cook and Ward, 2012). Cook argues that it was the examples of the US that spurred the popularity of the model in Europe, and it has been adopted in varying contexts. Michel and Stein suggest that

It is their proclaimed ability to deal with highly divergent local conditions and urban places that contributes to their popularity within policy discourses in very different urban and national settings” (Michel and Stein, 2014, p. 75)

BIDs have mobilised to places where neoliberalism is not as apparent. For example in Germany, there has been “less of a discourse of urban decline and urban crisis” (Stein *et al.*, 2015, p. 8). In the German context, processes of legitimisation have taken place to encourage the acceptance and formation of BIDs - including the articulation that there is a crisis, that city centres need to be preserved and BIDs are a good mechanism for this, or a discourse of failure concerning the local state (Stein *et al.*, *ibid.*). Similarly, different countries have differing legal regimes which stipulate differing conditions for the BIDs establishment, management and fee payment. As Michel suggests, BIDs are not a manifestation of “neoliberal hegemony”. “Local trajectories appear to be extremely important and there is much contingency concerning the introduction and the outcomes” (Michel, 2013, p. 1015).

No single review identifies the disparate places which have implemented BID policies and legislation, however this research has found that BIDs are present in the UK, the USA, Canada, Germany, Albania, Ireland, The Netherlands, Serbia, South Africa, New Zealand, Jamaica, Australia, Japan, Belgium and Holland (Ward, 2006; Cook and Ward, 2010; Morçöl and Wolf, 2010; Gross, 2013; British BIDs, 2014; Stein *et al.*, 2015).

### 3.3 Academic Analyses of BIDs

With such a proliferation of a model of urban governance, there has emerged a body of scholarship studying their operation and mobility. Peyroux et. al. (2012) point out that academic work on BIDs up until now can be placed into one of three categories:

- I. **An analysis of BIDs in the broader context of urban governance and state retrenchment:** (Hochleutner, 2003; Hoyt, 2004; Batchis, 2010a, 2010b; Brenner, 2010; Garnett, 2010; Becker, 2012; Kennedy, 2014; Michel and Stein, 2014).

This stream of scholarship analyses how BIDs have emerged in a context of the “rolling back” of the state and as a distinct private sector initiative to govern public resources. This stream studies the governance frameworks which emerge under conditions of neoliberalism, and how BIDs constitute a new form of local governance - for example, Clough and Vandrebeck argue that the “layering of power in BID spaces ensures a negotiation between the private and public that is institutionalised in legal statute, thus creating a hybrid form of governance and space” (Clough and Vanderbeck, 2006, p. 2266).

These authors have highlighted the paradigm shift which BIDs and neoliberalism represent. For example, Ward suggests that BIDs carry a

sense of distance from past political practices... embodying a new way of managing cities, speaks of the wider logic at play here: to create a BID is not just to introduce a new policy; it is to critique the very ideology of government intervention in cities” (Ward, 2006, p. 61)

Authors within this stream analyse and critique the new governance formations emerging in BIDs, their undemocratic nature, and relations with other scales and forms of urban governance in sidestepping the state and other boundaries impeding the goals of business.

- II. **An analysis of BIDs in the broader context of the “privatisation” of public space and the exclusionary and polarising effects of such practices:** (Steel and Symes, 2005; Clough and Vanderbeck, 2006; Lippert, 2009, 2010, 2012, 2014; Eick, 2012; Lippert and Sleiman, 2012; Lippert and Wood, 2012; Marquardt and Fuller, 2012; Bookman and Woolford, 2013).



This body of scholarship is concerned with how BIDs “privatise” urban space and employ technologies of policing and control to aid capital accumulation and which authors find problematic. These authors take the view that urban space is vital for democratic cities as it provides the framework for encountering others, for taking part in public life and for fostering the tolerance that is necessary for city life - all of which is more important than consumption (cf. Lofland, 2009). Many of these authors study BIDs as governmental technologies, and examine the forms of surveillance, policing and disciplinary techniques which BIDs employ to transform urban space into a highly sanitised site of consumption, excluding those who cannot or will not pay - such as “youth, panhandlers, and the home- less - deemed to interfere with consumption and pedestrian flow” (Lippert, 2012, p. 169) - and thus contributing to socio-spatial segregation,

- III. **BIDs within the global circuits of policy models and how the model has mutated and been applied in differing contexts** (Hoyt, 2006; Ward, 2006; Cook, 2008; Cook and Ward, 2010, 2012; Peyroux, 2012; Didier, Morange and Peyroux, 2013; Mccann and Ward, 2013; Stein *et al.*, 2015).

Finally, this stream of scholarship is concerned with the global networks and flows of knowledge which has enabled the travel and mutation of the BID model; specifically, how actors and knowledge intertwine with local elites to territorialise the BID model, and how this operates in varying conditions and degrees of neoliberalism; and how this fits into the broader landscape “as cities have become strategic targets for an increasingly broad range of neoliberal policy experiment, institutional innovations, and politico-ideological projects” (Brenner and Theodore, 2002, p. 28). This forms part of a broader concern for “the means by which cities are constituted through their positionality in geographically stretched policy networks” (Cook and Ward, 2012, p. 138).

Incorporating insights from all three streams, the next section seeks to operationalise the theoretical framework of this thesis in arguing that the operation of BIDs can be interpreted as a contemporary form of enclosure under biocapitalism. The next section details the legal and political context of BIDs in the two case studies, London and Hamburg.



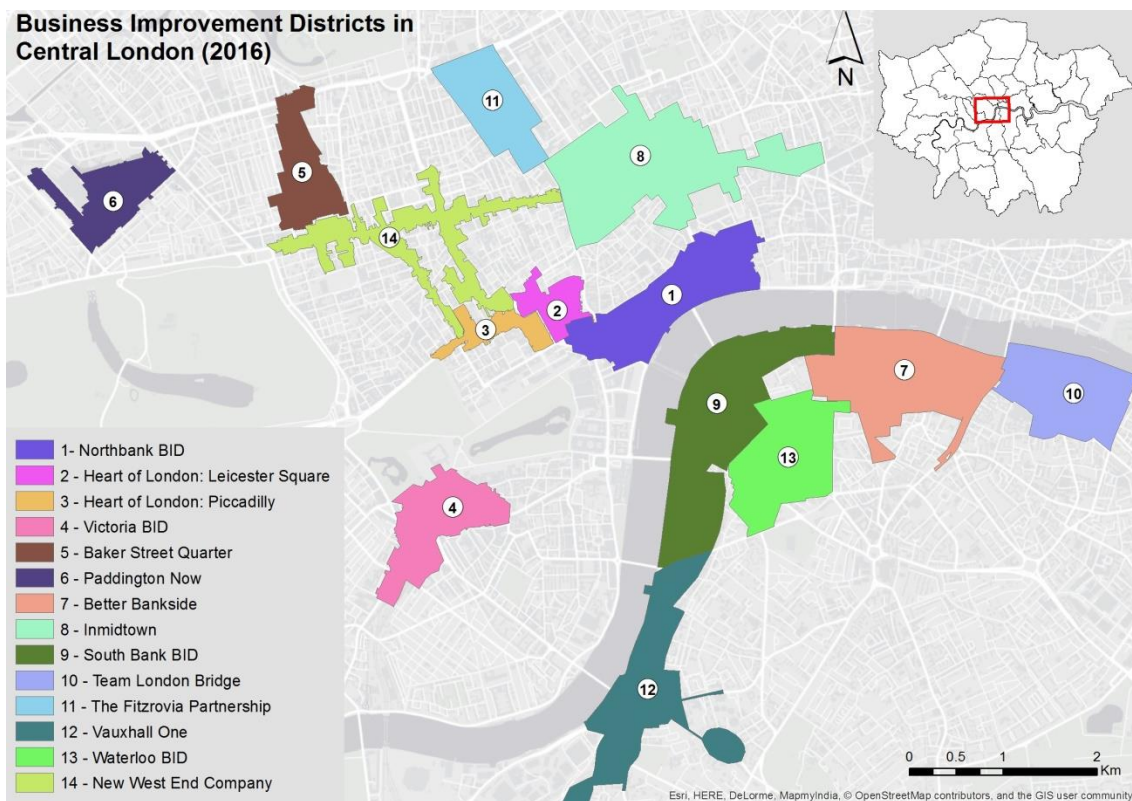
### 3.4 London

In the UK, the legislation and regulation of BIDs is formed at the national level. In England this is set out in Part 4 of the Local Government Act 2003 and The Business Improvement Districts (England) Regulations 2004. In Scotland, the legislative framework is set out in Part 9 of the Planning Act (Scotland) 2006, and regulations set out in 2007 and 2008<sup>1</sup>.

There are currently 41 active BIDs in London, and around 100 more in the rest of the UK (British BIDs, 2014). For the purpose of this thesis, the Victoria BID will be the focal point of the case study. The case study for London is the Victoria BID, a central BID created in 2010. A semi-structured interview was completed with a BID executive, and the BIDs policy documents and literature were analysed extensively. Visits to the BID were undertaken in the summer of 2015.

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<sup>1</sup> The Planning etc. (Scotland) Act 2006 (Business Improvement Districts Levy) Order 2007; The Business Improvement Districts (Scotland) Regulations 2007; The Business Improvement Districts (Ballot Arrangements) (Scotland) Regulations 2007; The Business Improvement Districts (Scotland) Amendment Regulations 2007 No 510; The Business Improvement Districts (Scotland) Amendment Regulations 2008 No 359.



**Figure 3** - BIDs in London. Source: Harley Ronan (2016)

**Figure 4** - Victoria BID. Source: Harley Ronan (2016).



**Table 2-** Overview of Central London BIDs (2016)

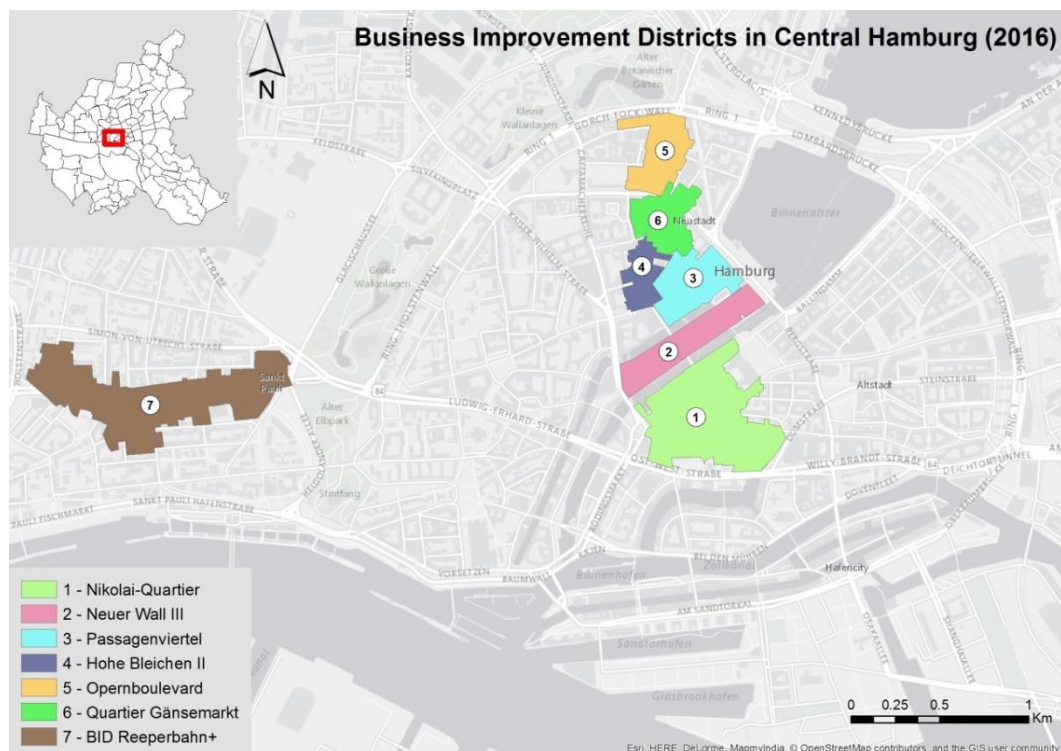
Name	Borough	Year created	Size (km2)	Annual Budget (€) <sup>2</sup>
<b>Baker Street Quarter</b>	Westminster	2013	0.7	€ 1,510,719
<b>Better Bankside</b>	Southwark	2005	1.7	€ 2,078,270
<b>Heart of London Business Alliance - Leicester Square to Piccadilly</b>	Westminster	2005	0.3	€ 1,406,100
<b>Inmidtown</b>	Camden	2005	2.1	€ 2,728,000
<b>New West End Company</b>	Westminster	2005	1.1	€ 6,540,300
<b>Northbank</b>	Westminster	2013	1.3	€ 2,270,810
<b>Paddington Now</b>	Westminster	2005	0.7	€ 762,362
<b>Heart of London Business Alliance - Piccadilly and St James</b>	Westminster	2005	0.3	€ 1,207,440
<b>South Bank BID</b>	Lambeth & Southwark	2014	1.9	€ 278,640
<b>Team London Bridge</b>	Southwark	2005	1.1	€ 1,741,500
<b>The Fitzrovia Partnership</b>	Camden	2009	0.8	€ 1,353,210
<b>Victoria BID</b>	Westminster	2010	0.9	€ 2,558,515
<b>Waterloo Quarter Business Alliance</b>	Lambeth and Southwark	2006	1.2	€ 679,206

<sup>2</sup> Budgets converted from GBP to Euro based on current market conversion via [www.xe.com](http://www.xe.com): £1 = €1.29 (14/03/16).

### 3.5 Hamburg

In Germany, the legislative framework is created at the federal level. In Hamburg - a city and federal state - this is set out in the *Gesetz zur Stärkung der Einzelhandels-, Dienstleistungs- und Gewerbezentren* (the law for strengthening retail, service and business centres) 2004, with further regulations in 2007, 2011 and 2013<sup>3</sup> (translation from Michel & Stein (2014, p. 86)).

There are currently 11 BIDs operating in Hamburg. For the purpose of this thesis the Neuer Wall BID will be analysed. This central BID was also created in 2010. A semi-structured interview was completed with a BID executive, and a further semi-structured interview was completed with a representative from the City of Hamburg's BID Coordination team<sup>4</sup>. The BIDs policy documents and literature were analysed extensively. Visits to the BID were undertaken in the summer of 2016.

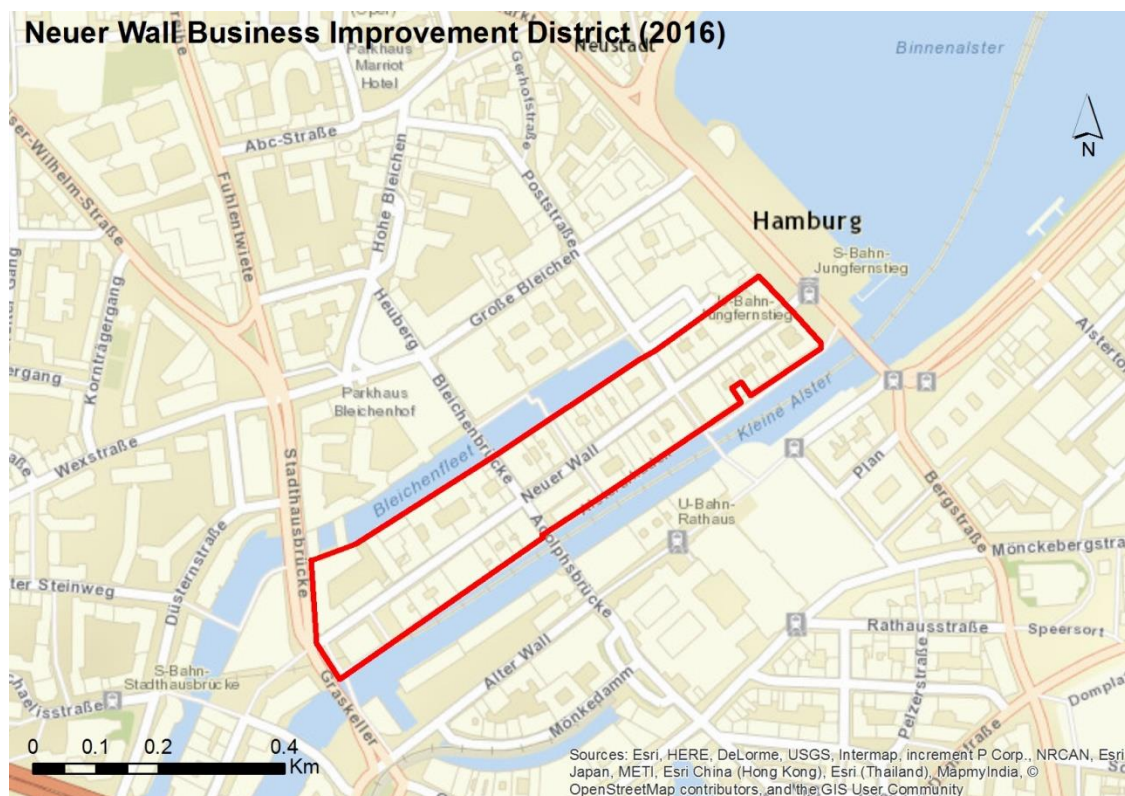


**Figure 5** - BIDs in Hamburg. Source: Harley Ronan (2016).

<sup>3</sup> Gesetz zur Stärkung der Einzelhandels-, Dienstleistungs- und Gewerbezentren GSED vom 1. Dezember 2007 (1. Änderung); Gesetz zur Stärkung der Einzelhandels-, Dienstleistungs- und Gewerbezentren GSED vom 15. Februar 2011 (2. Änderung); Gesetz zur Stärkung der Einzelhandels-, Dienstleistungs- und Gewerbezentren vom 1. Oktober 2013 (3. Änderung).

<sup>4</sup> No comparable team existed in the Victoria case study and it was therefore not possible to carry out a corresponding interview in London.



**Figure 6** - Neuer Wall BID. Source: Harley Ronan (2016)**Table 3** - BIDs in Hamburg.

Name	Bezirk (district)	Year created	Size (km2)	5 year budget (€) <sup>5</sup>
<b>Neuer Wall III</b>	Hamburg-Mitte	2010	0.2	€ 3,184,100
<b>Hohe Bleichen - Heuberg</b>	Hamburg-Mitte	2015	0.1	€ 1,986,500
<b>BID Passagenviertel</b>	Hamburg-Mitte	2011	0.1	€ 5,056,951
<b>Opernboulevard</b>	Hamburg-Mitte	2011	0.1	€ 2,175,000
<b>Nikolai-Quartier</b>	Hamburg-Mitte	2014	0.3	€ 9,320,000
<b>Quartier Gänsemarkt</b>	Hamburg-Mitte	2015	0.1	€ 4,100,000
<b>Reeperbahn+</b>	Hamburg-Mitte	2014	0.4	€ 1,909,470

<sup>5</sup> Budgets converted from GBP to Euro based on current market conversion via [www.xe.com](http://www.xe.com): £1 = €1.29 (14/03/16).

The next section analyses these two BIDs as a form of contemporary urban enclosure through the axes of investigation framework described above in Part III. It begins with the first axis: prohibition.

## Part IV - Axis of investigation I: Prohibition

### 4.1 Introduction

Prohibition is an integral, foundational element of enclosure. In the case of BIDs, prohibition operates to clear the city of barriers to biopolitical accumulation. This involves cutting through the messiness of urbanity and urban society, providing capital with privileged access to governance structures and reproducing entrepreneurial governance and prohibiting alternative conceptions and governance of urban space. Furthermore, it operates to clear physical and subjective barriers which may inhibit capital from expropriating value from urban life- social deviance, poverty, non-consumption - deploying technologies of power to “sanitise” urban space.

Research methods applied to this axis include semi-structured interviews carried out with a member of each BIDs management team (July 2015 in Victoria and July 2016 for Hamburg); critical reviews and analyses of BID literature, policies and projects; and analyses of local government and other state actor BID policies/approaches.

### 4.2 Prohibition - Conceptual Analysis

As a form of enclosure, BIDs seek to prohibit activities, behaviour and people which are a barrier to increasing consumption and property values in city space. Lippert (2012) suggests that an “enduring dream of urban governance is an uninterrupted flow of traffic from private spheres through ostensibly public corridors to production and consumption sites and back again” (Lippert, 2012, p. 167). BIDs achieve this dream in their securitisation of city space, putting forward a dominant conception and narrative of the city as a site of consumption and economic growth, and works to disturb activities and individuals which challenge this. Graham & Marvin (2001) describes BIDs as an “explicit attempt to manage marginalised socioeconomic groups out of the urban scene” which threaten to frighten away corporate clients, gentrifiers, and suburbanite workers and shoppers” (Graham and Marvin, 2001, p. 262).

BIDs deploy multiple technologies of control, both non-physical and physical, to prohibit behaviours, activities and uses of urban space that are contrary to contemporary capital accumulation. These include forms of surveillance such as footfall technology and closed circuit television (CCTV) cameras; security guards and ambassadors to patrol districts; relationships

with police and law enforcement agencies to secure extra policing; and the use of the legal framework suspend norms of law and enable exclusion. The interlinked nature of these biopolitical technologies of power accords with the control society theorised by Deleuze (1992) - the exercise of power courses throughout the social body through multiple and overlapping surveillance technologies which clears city space of its heterogeneity and unpredictability in order to enable the exploitation of value. In the coming together of multiple actors, underpinned and made possible by law, BIDs bind the interests of businesses “into a powerful spatially delimited urban assemblage” (Lippert, 2010, p. 485).

An ongoing feature of enclosure is that it is deployed over a specific geographical area or resource in order to subject it to the processes of accumulation. In the case of BIDs, this form of enclosure functions in specific demarcated areas of the city. While these areas are not physically blocked or fenced, physical forms of prohibition take place in order to enable value expropriation. Private security guards (often described as ‘ambassadors’) are utilised by BIDs to deter ‘anti social’ behaviour and intervene when appropriate; to report, monitor and intervene against undesirable activities and individuals that may inhibit the creation and realisation of profit. Legal instruments are used to provide additional and exceptional forms of regulation that enable the circumvention of established legal norms. Surveillance - understood in the broadest sense of the word - is used to monitor, target and intervene in urban life according to the goals of the BID. BIDs form networks of intelligence sharing and gathering to fully understand and intervene physically in their district when necessary. Design is also utilised to program, predicate and prevent particular behaviours occurring.

“Ambassadors” are a key tool of physical prohibition and surveillance deployed by BIDs. Ambassadors function as the “eyes and ears” of BIDs. Generally speaking, ambassadors perform a hybrid role of security and welcoming. They are an important physical manifestation of the BIDs presence, and they work to deter undesirable behaviour, solve problems and present a clean and provide a welcoming image to visitors. Through exclusion and prohibition, ambassadors enable the expropriation of value: Lippert suggests that

Ambassador programmes envisage the production of a more aesthetically pleasing district and typically assume a large proportion of ‘clean and safe’ BID spending. Ambassadors patrol BIDs with a blend of cleaning, interactive customer service, and surveillance aims (Lippert, 2012, p. 171).



Ambassadors possess intimate knowledge of the districts they patrol - logging interactions with individuals, acting upon and reporting undesirable behaviour and people thus constituting the eyes and ears of the BID. The ambassador programs are essential prohibitive technologies, their “uniformed and youthful bodies are to embody the ‘clean and safe’ image of the new consumption landscape, to cleanse and blend with an idealized physical and social refuse-free reality” (Lippert, 2012, p. 172).

BIDs also often deploy separate security teams other than ambassadors, and work to build relationships to extend policing in the district. Eick interprets the proliferation of security guards as the manifestation of “aggressive activities against ‘undesirables’ deployed or projected in order to ‘purify’ space” for profit generation (Eick, 2012, p. 129). He describes this movement as “legal securitization” (2012:129). Eick highlights the tension at the heart of BID securitisation: in their quest to prohibit urban space from deviance, they destroy the social use value of city space:

BIDs are good locations for profit generation, they are also of great importance for those who lack the capacity or refuse to participate in high consumption – beggars, the home- less, drug users, prostitutes, migrant youths. For them, the current efforts to privatize urban space necessarily imply their securitization. BIDs are part and parcel of these exclusionary policies (Eick, 2012, p. 129).

This form of prohibition and securitisation changes the nature of city space and our access to it. It also represents the foundational or formative element of enclosure, paving the way for value exploitation. The analysis now turns to the empirical investigation, comparing the two case studies of Victoria BID in London and Neuer Wall BID in Hamburg.

### 4.3 Prohibition - Empirical Analysis, London: Victoria BID



**Figure 7** - Security guards in Victoria BID. Source: Victoria Business Improvement District.

“Physical security is the most effective way to reduce criminal interest in a business or premises. The range of deterrents includes uniformed security staff, maintaining digital CCTV recording systems and installation of grilles, shutters and barriers.”

- Victoria Business Improvement District (2016)

The Victoria BID has three forms of physical, human security: ambassadors, a “rough sleeping warden” and a dedicated team of security. Victoria’s security team have been granted police powers by the Home Office as they “patrol as part of the wider policing family” and which has reduced “anti-social behaviour...by an astonishing 80% within the patrol zone” (District, 2014a, p. 34).

#### 4.3.1 Layered Policing Technologies

In the case of the Victoria, the BID private security guards have forged relationships with the Metropolitan Police and Westminster Council to concentrate policing efforts in the district. The BID has

fortnightly meetings with the police and outreach teams on rough sleeping, we work closely with the PCSOs, we have a shared radio scheme so we can actually just radio the police and they will just come out and they will answer our businesses because we have 300 of these radios (Interview: Appendix B, para 52).

This has impacted rough sleeping in the district - reduced by 50% between 2013 and 2014 (Victoria BID, 2014a, p. 33). Other policing layers have been secured by the BID, consisting of volunteer constables, a seconded police officer and the formation of the “West End Impact Zone”. This zone follows the model developed by the New York Police Department to police Times Square. The zone covers multiple BIDs, including Victoria, and other high profile sites. The policing team consists of 100 officers and a mobile police station (BBC News, 2014). The visible police presence is highly important to the BID. It seeks to use policing and security to deter behaviour and individuals that do not feed a perception of comfort and security. This was found during interview with the BID:

fear of crime is higher than reported crime so what we’re dealing with is fear of crime because we’re trying to make our area attractive so we’re dealing with the psychological- we’re dealing with the perception of the area as much as the actual criminal activity (Interview: Appendix B, para 50).

This is further touched upon in the BID literature: security guards “act as a deterrent to future offences providing a counterbalance to any existing ‘fear of crime’ within the community” (Victoria BID, 2014a, p. 34).



**Figure 8** - The Mayor of London, BID managers and police officers at the launch of the "West End Impact Zone", a demarcated area subject to specific policing (BBC News, 2014)

The Victoria BID also operates an ambassador scheme. In addition to deterrence, these teams on the streets of the district provide vital data to the BID concerning the built environment and the individuals using it. Lippert & Sleiman suggest that BID ambassadors

engage in surveillance of other vital subjects. They conduct inventories of downtown infrastructure and surveys on behalf of the BID. These knowledge-related tasks include counting and recording the number of downtown streetlamps, sidewalk flowerpots and concrete tree planters. The downtown's nooks and crannies are laid bare, rendering them amenable to modification (Lippert and Sleiman, 2012, p. 66).

Ambassadors are not just the embodiment of the clean and safe ethos of the BID, as suggested above, but perform an important biopolitical function in recording their interaction with urbanites and visitors via a mobile computer device. They ambassadors watch tourists, urban users and the built environment. In Victoria, ambassadors log each interaction they have with urbanites which is reported back to the BID:

they've done a profile of everyone they've dealt with- we get so much data about who comes through [the BID] (Interview: Appendix B, para 66).

Whilst appearing benign, the ambassadors constitute an important surveillance and calculative technology by the BID. The ambassadors' continual reporting on the built environment, reports of numbers of users, the nature of users and the motivation for their presence in space enables effective intervention of the BID. This surveillance technology constitutes a calculative practice of intervention by the BID akin the society of control theorised by Deleuze (1992). Ambassador surveillance and reporting constructs "spaces of enclosure" which "dividualises" individuals, separating from their spatial context in data form, to enable swift, calculated intervention (Deleuze, 1992, pp. 4-5).

Intervention may not just be in the form of the BID. As Lippert and Sleiman suggest "as 'walking information booths', ambassadors lend their surveillance and knowledge production and transfer capacities to external organisations, including police, public health and city governments" (Lippert and Sleiman, 2012, p. 74). The ambassadors of Victoria BID have close connections to the police force - both real time and periodic updates - and their intimate knowledge (or what Lippert & Sleiman term "actionable information") of the BID and its users is shared with police forces for intervention. Other public and government agencies are included - such as the knowledge of homelessness and begging which is shared with other agencies to attempt to force it out of the district, which it then celebrates in its literature and policy documents.

This supports Eick's reflections on how BIDs concentrating legal and policing power in the districts which impacts on those deemed undesirable by the BID and who not conform to the

image of urban consumption. The concentration of policing resources and tactics has also contributed to a much greater reduction in recorded crime: the BID area has a recorded crime rate of 3.5% compared to borough as a whole which sits at 8%. The BID is also using its political power to lobby for more policing and intelligence sharing, lending support to Eick's argument that BIDs globally gaining an overly powerful position of influence over urban security policy and arrangements and the priorities of state police (Eick, 2012, p. 130). The Victoria BID has used other legal structures to introduce exclusion zones across the Borough "to help map and monitor rough-sleeping patterns and provide intelligence on how to assist these people to be relocated" (District, 2014a, p. 33). Fundamentally the prohibitive technologies deployed by the BID are to remove obstacles presented to the BID in rendering the district attractive to consumers.

#### **4.4 Prohibition - Empirical Analysis, Hamburg: Neuer Wall BID**

The Neuer Wall BID has one full time security force for the district, present during the opening hours of the business. Unlike Victoria, it does not operate an ambassador scheme.

##### **4.4.1 Hamburg: Policing technologies in Neuer Wall BID**

The Neuer Wall BID does not have the extensive policing relationships in place which Victoria does, and interview participants did not use the language of partnerships or networks in relation to policing. Neuer Wall security guards possess no state policing powers, again unlike the Victoria BID. The concentration of policing resources in the district is not therefore found in existing state policing resources but a supplement of private resources to counter what the BID describes as "deficits in enforcement" (Eick, 2012, p. 128). Eick suggests that in the case of Neuer Wall, "The BID's security service not only replaces but also criticizes the police" (ibid). During interview it was found that the BID deliberately did not seek to gain extra state policing in the district:

There was an idea to rent a cop at the beginning of the project, but it was not a good idea to have this because that means that rich people can buy security from the state and that is not something that we want in our society" (Interview: Appendix C, para 42).

Actions, however, speak louder than words. Neuer Wall is perhaps more concerned with policing the district than Victoria. It is overtly concerned with tightly policing the district and prohibiting barriers to their image and brand. Compared with Victoria, analysis of BID documents shows that it spends significantly more on security, cleaning and maintenance than



Victoria - 46% of its budget versus 15% in Victoria's case. Victoria, on the other hand, appears to be concerned with appearing to act in the realm of security, while devoting less of its spending power - despite having a larger budget than Neuer Wall.



**Figure 9** - Security guard in Neuer Wall BID. Source: Harley Ronan (2016).

Findings from various sources also revealed contradictions between reality and representation in the Neuer Wall's policing operations. One source states that in 2006 the BID prevented beggars from accessing the district. The BID was unhappy with the beggars' presence, declaring that it is "obvious that the inner-city is not a welfare station" (quoted in Eick, 2012, p. 128). During interviews, however, the City of Hamburg and Neuer Wall BID suggested the guards are there for reassurance and not intervention, or as mentioned above, to embody the safe and secure ethos and to "make people feel better" (Interview: Appendix B, para 40). The City of Hamburg stated that the Neuer Wall BID security does not intervene to move on beggars or other individuals which interfere with the BIDs goals: "You always see beggars. We always told the BIDs to help the people and not send them away. Just help them" (Interview: Appendix D, para 44). The City of Hamburg does not see a problem with BIDs or other private actor deploying policing technologies over city space:

Right now [referring to location of interview] we are on a privately owned public space, it's owned by that hotel. So as long as you can do what you like and here you can find sometimes musicians and beggars, it's ok. It's the same in Neuer Wall, it's not a shopping centre, it's a BID (Interview: Appendix D, para 42).

Unlike Victoria, which appears to be designed to intervene in the district, in Neuer Wall it was found that the BID deployed security as a prohibitive technology to cement the image of Neuer Wall as Hamburg's "most exclusive shopping street" (Binger and Büttner, 2008, p. 129). It was found that the purpose of the BID security in Neuer Wall is not to physically prevent actual crime taking place, but to act as representation and embodiment of the "clean and safe" BID philosophy. When asked whether, in the light of their provision of security guards throughout normal business hours

Only perceived safety. When you have stores that sell handbags for 30,000 euros you feel better if some security personnel is on the street when you open and close your store. It doesn't really mean that otherwise something would happen. We don't really have security issues in the city centre of Hamburg... We have very low criminal rates in the city centre so obviously security is not necessary. But we understand it as a kind of marketing. We have personnel on the street, people see it, people feel better, but it's not really necessary. (Interview: Appendix C, para 40).

Neuer Wall BID therefore uses security guards as a technology of control to determine the atmosphere, use and experience of the district. This is an inherently biopolitical approach to governing the district, intimately concerned with users' perception, feelings and subjective experience of the city. The continuous presence of three BID staff members patrolling the district promotes an extreme sense of safety, security and sanitation and therefore an environment which is implicitly prohibitive. This is heightened by the extreme cleanliness of the district.

Accordingly, through a combination of the built environment, security patrols and sanitisation this segment of urban space becomes a disciplinary technology which prohibits anything other than consumption. In reading the manifestation of BIDs as enclosure, this carefully orchestrated biopolitical composition is integral to forming enclosure and enabling the exploitation of value (to be analysed in the next axis).



**Figure 10** - Security guard in Neuer Wall BID. Source: Harley Ronan (2016).



**Figure 11** - Neuer Wall BID. Source: Harley Ronan (2016).

#### 4.5 Prohibition: Conclusions

Analysing BIDs as enclosures and investigating their operation through this theoretical framework reveals two findings. Firstly, BIDs have sophisticated biopolitical technologies of power which they use to govern districts. These are directed at controlling the movement of



people and the class of people present in order to exploit value from the city. This is symptomatic of a biopolitical form of capitalism in which life itself subsumed within accumulation circuits through debt fuelled consumption and property values. This is a different form of power and prohibition than that of the past. It does not rely on gates or force, but through biopolitical techniques to manage and attract flows of consumers, and exclude those from whom wealth cannot be extracted.

Returning to the theoretical framework, this thesis argued that enclosure is made possible by forces of prohibition. It was argued that prohibition was integral to enable capital to then expropriate value from the commonly produced resource in question. The above reflections and findings under this axis suggest that this is the case. Both case studies contain many examples of how BIDs orchestrate technologies of prohibition to do the “groundwork” of enclosure and secure urban space from forces which may inhibit their attempts to expropriate value: social deviance, poverty, crime and alternative conceptions or uses of urban space that are not consumption oriented.

The next section deals with the second axis of investigation from the analytical framework - expropriation of value - and analyses how BIDs, as a form of contemporary enclosure, extract value and profit from the socially produced common that is the city which is made possible by their prohibitive technologies.

## Part V - Axis of Investigation II: Expropriation of Value

### 5.1 Introduction

This axis investigates two areas in which BIDs, as a form of contemporary enclosure, are expropriating value from the city by drawing urban life into the circuits of capital accumulation: property and consumption. Specifically, it examines how BIDs, as a form of enclosure, deploy biopolitical technologies of power to govern city space, and how this creates value in the form of increased consumption and property values.

BIDs, as a form of contemporary enclosure, expropriate value from the city by drawing life into the circuits of capital accumulation. This is achieved through managing urban space in a fashion that enrolls urbanites into processes of immaterial labour to increase consumption, and accordingly increase property values. This expropriation of value from the common is achieved by targeting the subjectivity of citizens, drawing on the heritage of urban space, eventification, marketing and the construction of brandscapes. Enclosure relies on property to construct power relations and create a framework for value extraction.

### 5.2 Expropriation of Value - Conceptual Analysis: the Primacy of Property, Debt and Consumption

Under contemporary biopolitical capitalism urban land property are key components in the accumulation regime. Combined with debt finance, urban property, development and speculation has become a widespread strategy to leverage profit from the city and from urban space in advanced capitalist societies. Both residential and commercial property have become the target of global financial investors and developers. This is an inherently biopolitical process. Generating profit in this fashion is inherently dependent on perception, subjectivity, movements and use of the city. The market's determination of the value of urban property is dependent on how people perceive it, react to it and use it. Developing homes is only profitable if people can be attracted to purchase and move there; developing a shopping complex is only profitable if people are attracted to the district to dwell and spend. In this context, BIDs operate to exploit value from the city-as-common in multiple ways.

Firstly, BIDs seek to transform city space into a space of consumption. BIDs subsume the lives of city users in their attempts to mould the subjectivities of subjectivities and social relations of urbanites. Their concerted effort to shape the built environment, the perception of space and the use of space to increase consumption and property values constitutes capital gaining

purchase on daily life and transforming the daily use of the city into immaterial labour. Cities and public spaces are increasingly viewed as “avenues to increased accumulation rather than as having a use value in their own right” and BIDs are a distinct form designed to increase consumption and profit (Clough and Vanderbeck, 2006, p. 2262). BIDs are a manifestation of this accumulation regime, a specific tool of governance to manage urban life and its movements through the circuits of capital accumulation. They amplify the power of capital to govern the city in a fashion that is conducive to increasing property values and consumption, two interlinked bastions of contemporary capitalism. Minton suggests that at its core the BID is a vehicle with “the goal of pushing up property values in the area” (Minton, 2012, p. 44). The Greater London Authority believes that

The ability of a BID to approach [urban space] for its economic potential and its regenerative potential is a really positive thing. Because that is the *raison d'être* of a BID, it has the ability to see the [urban space] from that perspective” and exploit the “revenue generating potential” of the district (Greater London Authority, 2015, p. no page numbers).

Branding and marketing are key technologies used by BIDs to increase consumption and property values. BIDs transform the urban landscape into a brandscape through which subjective association and identification with brands is a form of immaterial labour captured by BIDs. The brandscape has emerged “from developments in marketing, technology, urbanism and practices of surveillance is emerging a new mode of ordering that seeks to simultaneously construct space and subjectivity” and is “a mode of ordering” based on affect (Wood and Ball, 2013, p. 48). In attempting to brandscape the city, BIDs are seeking to exploit value from the social production of urban life, and the value which urbanites produce in engaging with the brandscape is, once again, a form of immaterial labour captured by the BID. The construction of urban branding, according to Wood and Ball, rests upon two pillars: the “malleability of the subject” and the calculative practices of surveillance, statistics and data (Wood and Ball, 2013, p. 50). As a form of enclosure, BIDs territorialise power to enable these elements of manipulation and calculation to come together. Everyday urban life becomes a tool of manipulation:

[brandsapes] occur within and redefine urban, suburban and rural spaces, and the object of the brand does not always refer to the corporation and its products, it can refer to the space itself, to reterritorialize it as branded and therefore as something that has an inherent experiential quality...Brandsapes are thus dependent on multiple codings and recodings of space as branded and therefore as experientially focused, representing a set of meanings that

are exclusively and essentially of the brand and everything it represents” (Wood and Ball, 2013, pp. 52–3).

This form of BID branding constitutes an attempt to extract value from urban life, because it is urban life and subjectivity that drives the value of the brand. This is about the production of affect - “affect driven consumption” which is constitutive of “a more general de-industrializing global economy where accumulation is increasingly achieved from an economic logic of “intensification” that relies on the speculative circulation of capital, without recourse to production of goods” (Simpson, 2015, p. 27). This form of enclosure therefore creates value through biopolitical management of perception and subjectivity. The very concept of branding revolves around imprinting an idea about place in the consumers mind, rooted in the word brand and its connotations of burning a mark or impression; Jensen notes that “we have left behind the notion of burning cattle and are now dealing with burning the consumer-mind” (Jensen, 2007, pp. 213–214). This form of immaterial labour or presumption generates value from the consumer’s actions and beliefs:

a brand is not a product or a commodity itself but the associations that the brand produces in consumers. Thus, while they appear in wide range of formats, brandscapes have one common element: the generation and exploitation of affect in the consumer subject (Wood and Ball, 2013, p. 53).

The aim of urban branding: “it is ultimately to create economic value and to entice customers to buy again and again” and branding technologies “are instrumental in enrolling the consumer in work that may not immediately be identified as such” - that is, “work done in consumption” (Wood and Ball, 2013, p. 54).

Finally, BIDs enable global firms to shape their local environment to aid accumulation. The BID enables a form of local territorialisation of global capital, a shaping of the local environment by global firms merely by virtue of their membership of BIDs. Many city centre BIDs are comprised by global, multinational companies. It is these “stakeholders” that are determining locality and place. Thus whilst proponents of BIDs celebrate its ability to adapt to local circumstances and conditions, their membership and composition of global firms further enables the mobility and territorialisation of global firms into disparate urban places in order to extract value.

With this conceptual analysis in mind, this axis now turns to empirical analysis. It seeks to investigate the two limbs of biopolitical capitalism discussed above - property and consumption - and how BIDs are a vehicle through which capital leverages surplus value from the city.

### **5.3 Expropriation of Value - Empirical Analysis**

This section analyses the Victoria & Neuer Wall BIDs to examine how they rely on notions of property to legitimately govern city districts as if they were private developments and to expropriate maximum value.

The political creation of BIDs gives rise to an important performance of property rights. The BID ballot process is a political and performative act, providing the BID with an important perception of legitimacy, one which pools the property rights of the district as if it were one unified estate. The balloting and involvement of local government appears to give rise to an important act of signification where by an element of the property rights held by individual owners are transferred to the BID. This is a political rather than legal process. Neither in English or German law are any property rights actually transferred to the BID, and ownership of the district is unchanged. But, as Blomley argues, property is as much about performance as it is law (Blomley, 2013). The performance of the ballot, the establishment of the management company and the language of ownership are powerful *acts* that create an aura of property whereby the BID is seen as an owner or trustee that is managing the property of others for their benefit. In this sense property is amplified - individual owners hold no property rights beyond their individual units - but the collective process of legitimating the management company amplifies their property rights and vests them in the BID managers. BIDs create a new, quasi form of property relations. The analysis now turns to the case studies, and examines how BIDs use this amplification of property to expropriate value from the city.

#### **5.3.1 Expropriation of Value - Empirical Analysis, London: Amplification of Property Rights and Value in Victoria BID**

In the case of Victoria, interviews found that it was the two largest land owners and developers that were the initial catalyst for the BIDs inception (Interview: Appendix B, para 2). These are two highly prominent and wealthy developers: Land Securities, the largest commercial property investor & developer in the UK; and Grosvenor, a multi-billion pound property developer owned by the Duke of Westminster with historic land holdings in London from the 17<sup>th</sup> century, and historic developer and owner of the Mayfair and Belgravia districts.

The Victoria BID is playing an important role as a broker and manager in the proliferation of development in the Victoria area. There are significant developments taking place in the district owned, led large property investors. The largest development taking place is 'Nova, Victoria' and is being undertaken by Land Securities at the cost of £4bn. This project is 83, 334 sq km, of which 67% is office space, 22% luxury apartments, 9% retail and hospitality and 2% "public realm" - privately owned public space (Victoria BID, 2014a, p. 19). Policy documents and BID literature suggests that the Victoria BID is a key actor in realising the economic value which these developments are generating (Victoria BID, 2016b).



**Figure 12** - The ongoing construction of 'Nova, Victoria' - a gigantic glass and steel complex replete with luxury shopping, eating and living. Source: Harley Ronan (2015).

Through coordinated management of the district and its development, the BID seeks to leverage maximum value to increase property prices and consumption. The BID literature states that developer coordination is of "vital importance" and that the BID specifically "taken on the challenge of shaping the area as a destination of choice within London, showcasing all that Victoria has to offer, whilst attracting interest from the London and global economy" (Victoria BID, 2014a, p. 7). Other BIDs throughout London are also operating to attract flows

of global capital to their district. The Assistant Director of Regeneration in the GLA suggests that BIDs

help to attract inward investment. A number of London BIDs have international profiles...the central London BIDs, all have international profiles and provide a focal point for international stakeholders and partners to get into a place” (Greater London Authority, 2015, p. no page numbers).

Further evidence of the BIDs quasi role as property manager was found at interview. The Victoria BID hosts a “strategic developers’ group” regularly to ensure developers are coordinating their approach with their individual projects, the public realm and the creation of the district’s image (Interview: Appendix B).

Victoria BID Board composition				
Board member		Sector	HQ	Multinational
Victoria BID		BID	London	No
Grosvenor Britain & Ireland		Property development/investment/management	London	Yes
EDF Trading		Energy and Logistics	Paris	Yes
House of Fraser		Retail	London	Yes
John Lewis Partnership		Retail	London	No
The Goring Hotel		Hospitality	London	No
Victoria Palace Theatre		Media and entertainment	London	No
Park Plaza Victoria (Carlson Rezidor Hotel Group)		Hospitality	Brussels	Yes
Land Securities		Property development/investment/management	London	No
St. James Theatre (EMG)		Media and entertainment	London	Yes
Telegraph Media Group		Media and entertainment	London	No
DP World		Energy and Logistics	Dubai	Yes
DONG Energy		Energy and Logistics	Fredericia, Denmark	Yes
Guoman Hotels		Hospitality	Singapore	Yes

**Table 4** - Victoria BID board composition. Source: Harley Ronan (2016)



Analysis of the BID's governance structure also suggests that the Victoria BID is a vehicle through which to establish a management company and manage the district as one development. The BID is chaired by one of the major property developers - Grosvenor. The other dominant land owner and developer in the area - Land Securities - also sits on the BID's board. Further analysis of the Victoria's BID's Board reveals that more than half of the board members are global, multinational companies. The Victoria BID claims that local businesses control BIDs and only carry out projects and activities decided by them (Victoria BID, 2014b, p. 5). But "local" in this context is misleading. The companies may be rooted in the area, but they are global in nature, and a far cry from the independent, small scale organisation which "local" suggests.

Instead of the image of local businesses improving their local area, the preceding analysis suggests that the BID mechanism acts as a vehicle through which to amplify businesses property rights in order to govern a district as one estate and create maximum value for developers and global firms rooted in the district. According to BID's literature, this is to increase property values and increase consumption in the district. The preceding analysis suggests that the Victoria BID is a vehicle established by dominant interests in the district to govern the area as one large estate and leverage maximum value from the developments currently taking place, for both the developers and the firms of global capitalism rooted in the district.



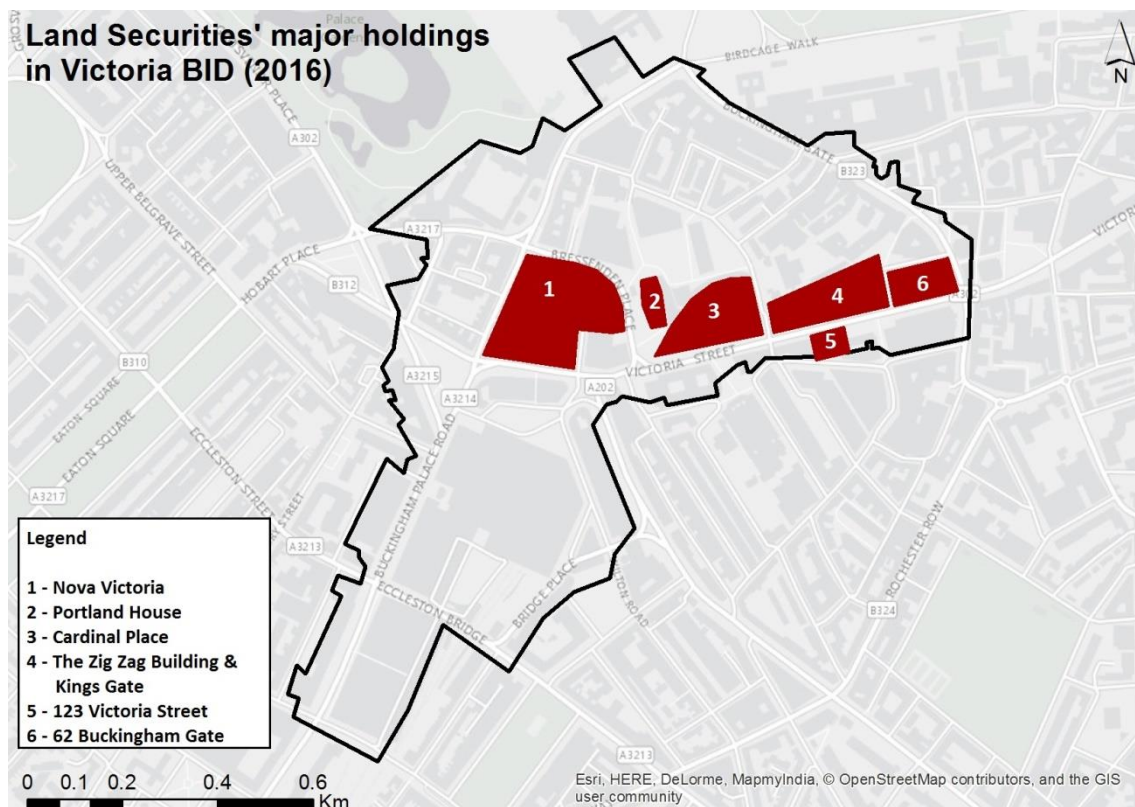
**Figure 13** - Cardinal Place Shopping Centre in the Victoria district. This development, owned by Land Securities, utilises physical enclosure, guards and surveillance to ensure a smooth experience. Source: Harley Ronan (2015)



**Figure 14** - Land Securities major holdings in Victoria <http://www.novasw1.com/victoria-sw1/victoria-masterplan>







**Figure 15:** Land Securities' holdings in Victoria. Source: Harley Ronan (2016).

### 5.3.2 Expropriation of Value - Empirical Analysis, Hamburg: Amplification of Property Rights and Value in Neuer Wall BID

The Neuer Wall BID is managed by Otto Wulff, a construction and project management company.

Otto Wulff manages five BIDs across the city of Hamburg. As a property developer and construction company, the BID mechanism provides the company with significant access to shape multiple districts across the city, and the associated increase in lobbying power this provides (see map below). There are no comparable examples of one company controlling so many BIDs. In London, for example, the Heart of London manages two BIDs, and in New York the Bryant Park BID and 34<sup>th</sup> Street BID share a management team (Goddard *et al.*, 2015, p. 29). But neither match Otto Wulff's work. Out of the eight BIDs in the centre of Hamburg, Otto Wulff manages five. Accordingly, in the case of Hamburg case, the BID mechanism enables a property developer to shape the city in the interests of capital, and to gain significant governance power across Hamburg. Interviews revealed that property is central to the Hamburg experience.

Because the Hamburg model obliges property owners to pay the BID levy - as opposed to businesses renting the property as tenants, as is the case in London - Otto Wulff believes it is entirely legitimate for it to act as form of estate manager/asset manager. Most properties in the Neuer Wall BID are owned by institutional investors, and the BID appears to be acting as an extension of this:

In Neuer Wall [in the past] we had a lot of properties still owned by regional property owners. That has changed a lot during the last 10 years because of the investment market situation: we now have a lot of institutional property owners in the city centre, and a lot of developments that were sold to professional companies that own property as an investment (Interview: Appendix C, para 18).

The BID therefore acts as a local “asset manager” for the global firms that invest in the property located within the district. All policies and projects it has in place are led by a motivation to increase consumption and property values:

There is a very deep understanding that we reached in Hamburg to finance any kind of measure that actually helps to raise the value of the property. It can be anything - it can be an infrastructural investment on the street, it can be Christmas lighting, it can be marketing measures. The important thing that we have to do is to only do investments that actually pay off... Our responsibility is to consult the property owners on what should be done with the budget (Interview: Appendix D, para 16).

The BID made clear during interview that property owners are happy to transfer their property rights to the BID and let them govern the district for maximum financial gain:

All the institutional property owners which are new in Neuer Wall, they ask for information like that [points to brochures and annual reports] we have done annual reports for two years, and we do this especially for the institutional property owners because they have funds and they have to explain to their investors what the BID Neuer Wall does. This is addressed in the annual report, and from time to time I get a call from an asset manager or an asset manager comes to Hamburg and asks to meet, but it's very seldom (Interview: Appendix C, para 28).

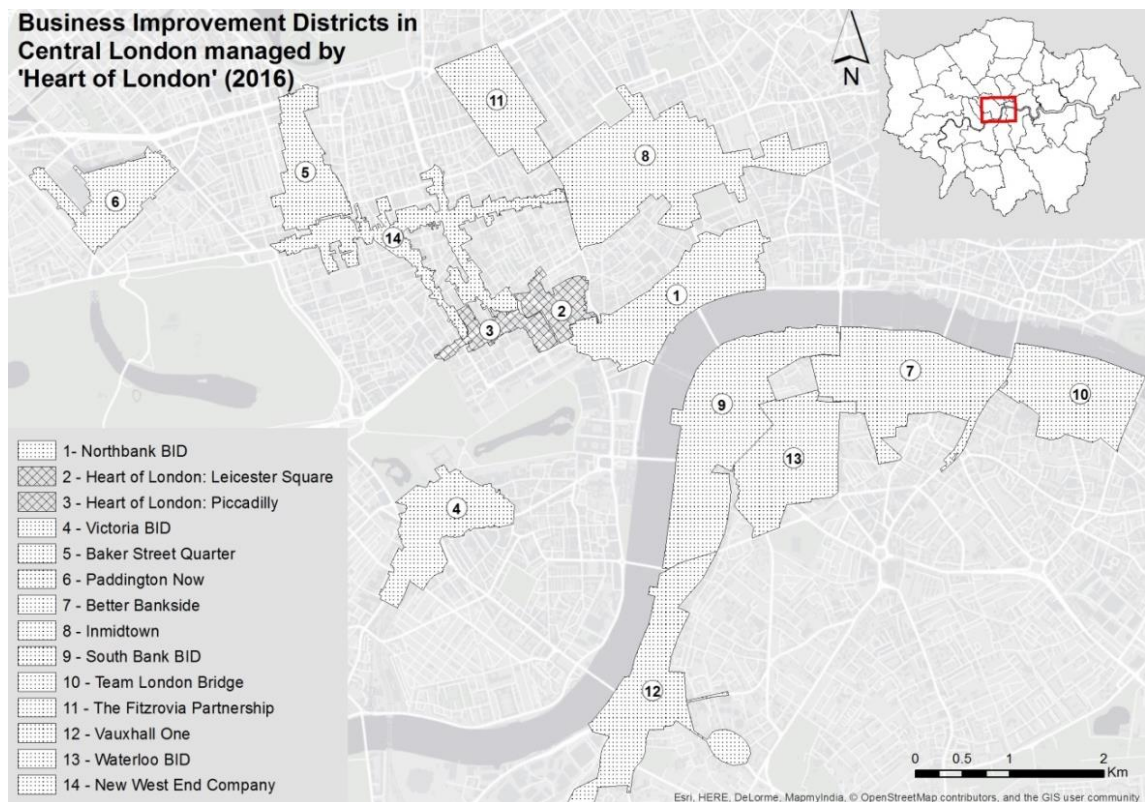
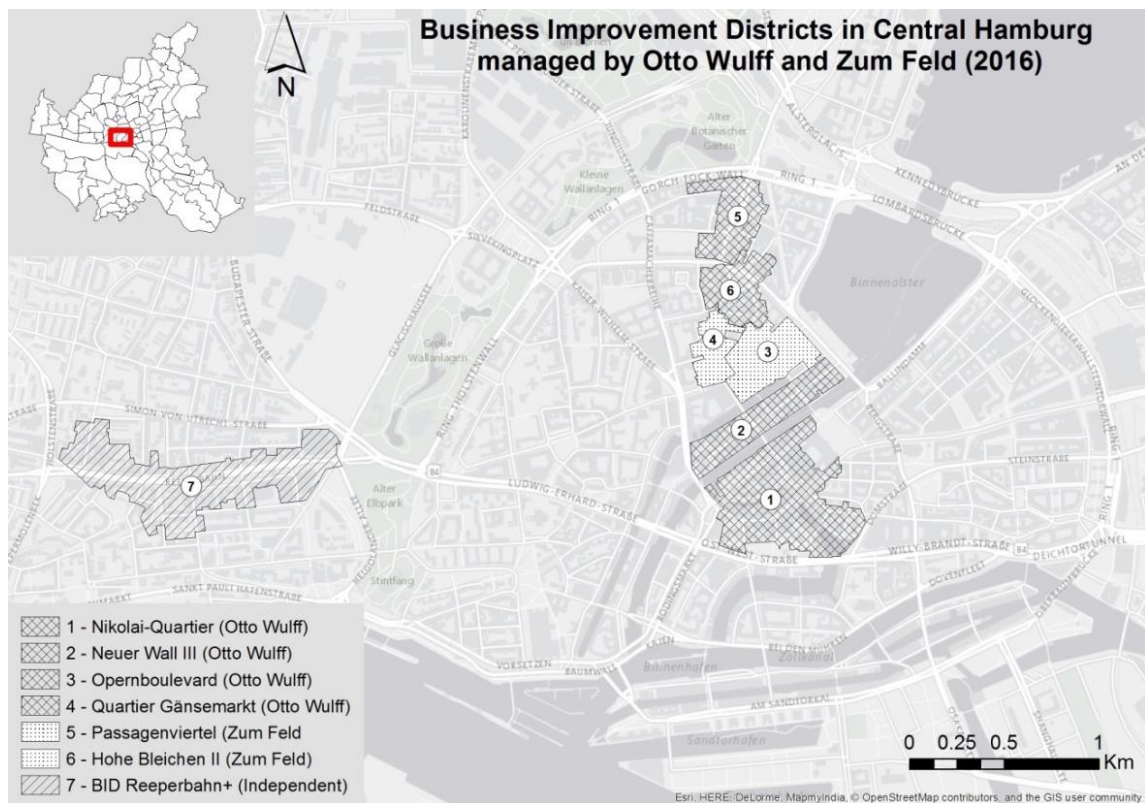
The BID welcomes the fact that properties in the district are sold with the BID levy costs and benefits as part of the sale, and that the new investor is buying into a managed investment district (Interview: Appendix C, para 20).



**Figure 16** - Commercial property for lease in Neuer Wall. The BID logo is used as part of the marketing. Source: Harley Ronan (2016).

The fact that it is the owners rather than tenants that finance the Neuer Wall BID significantly adds to the BID's perception of legitimacy. Interviewees suggested that this model allows the Neuer Wall BID to take the long term view of raising the value of property in the BIDs, and that this is what the owners expect and want. Compared to the UK model, the Neuer Wall BID suggested that serving the tenants and their property rights forces BID to act upon short term measures and achieving short term impacts (Interview: Appendix D, para 14). Unlike the UK model, Hamburg BIDs do not have public boards of directors; power is vested in the management company, Otto Wulff which is overseen by infrequent meetings of a steering group, members of which are not made public. It is therefore not possible to compare the composition of the BIDs' boards.





### 5.3.3 Amplification of Property - Findings

These findings suggest that BID Neuer Wall is acting as a property and asset manager, governing the district as if it were one estate and doing it can to protect and raise investments. It was found that the BID was explicitly clear that it served global financial investors rooted in the district, and that its role was to achieve maximum financial uplift for these owners. As with the enclosures of the past, property is central to enabling this form of enclosure to gain purchase on urban space. The political link between the property rights of individual tenants and owners and their pooling in the form of a BID is an integral act in creating this form of enclosure. The next section examines how, in each case study, the BIDs utilise their management and property power to enrol urbanites into processes of immaterial labour to generate value through branding and place making. It will be argued that this manipulation of urban space constitutes an extraction of value from the city, and that all enclosures focus on the exploitation of value from a collectively produced resource.

### 5.3.4 Expropriation of Value - Empirical Analysis, London: Branding and Consumption: Place, People and Profit in Victoria BID

This section turns to analysing how BIDs use branding, urban space and consumption to generate value from urban life. The analysis is structured into two parts: content (the branding/marketing projects, policies and activities undertaken by the BID) and the motivations behind these activities.

#### i) Victoria - Content

The Victoria BID has developed an extensive marketing campaign to attract people to the district and to accordingly increase consumption and property values. The campaign - named "Destination Victoria" - is the single biggest area of spending (20% of its annual budget, or £309,364 annually). Work includes:

- Branding public space through street furniture
- Marketing the district at national and international exhibitions
- Managing public and private spaces within the district in a coordinated strategic fashion
- Regular newsletters and magazines
- Online marketing via websites, social media and through partners
- Information kiosks and ambassadors
- 75 "unique events" and 500,000 attendees at events "showcasing the area's cultural diversity" (Victoria BID, 2014b, p. 13)

- Newsletters directed to local workers and residents
- The “Victoria Privilege Card”, a scheme which entitles holders to discounts and special offers in the district

## ii) Victoria - Motivations

The BID highlighted during interview that one of their main goals was to “give this place an identity” (Interview: Appendix B, para 6). Similarly, Victoria BID literature extensively refers to notions of identity, atmosphere and “buzz”. Unlike the Hamburg case of Neuer Wall - which is already well associated with luxury shopping - the Victoria BID seeks to intervene to create and promote a *new* recognisable brand and identity for the Victoria area of London. The BID managers hope to dispel what they believe to be a negative perception of Victoria as a “flat place with a bit of a depressing feel” associated with transport and office buildings (ibid, para 4). The BID believes that if the district has a recognisable brand or identity this will act to draw people to the area and increase consumption.

Similarly, the BID hopes to

build the profile of Victoria nationally as well as internationally, marketing the area as an attractive place to invest, live, visit and work in...our work will support local businesses and inspire confidence for further business investment. We plan to drive footfall and increase dwell time and spend; positioning Victoria as a vibrant and changing part of London that manages to preserve its uniqueness (Victoria BID, 2016a).



Figure 19 - BID branding and information outside Victoria Station. Source: Harley Ronan (2015).

These marketing and branding strategies impact how the BID shapes the built environment and new developments. It seeks to ensure congruence between developers to ensure accessible public space in the district is “inviting” and “welcoming”. The BID accordingly has an extensive calculative “public realm vision” to encourage “an overall vision for Victoria is to create a joined-up network of spaces building a strong, improved identity and environment for the district as a whole.” (Publica, 2015, p. 55). It is important here to recognise that the BID utilises urban space under this axis to fuel *perception* because perception influences value:

The use and visibility of private security patrols should be minimised and guards’ behaviour should be monitored to ensure a welcoming, public atmosphere. Play and freedom of use should be encouraged and tolerated. Control should be reserved for truly anti-social behaviour. The use of Victoria BID Ambassadors should be examined and extended where appropriate. Effective but discreet security, a sense of custodianship and management through passive surveillance by retail uses, cultural and residence uses and on-site caretakers should be encouraged (ibid).

Perception is key to the BID. Perception feeds dwell time, use, consumption, and importantly, property values. The manipulation and management perception, movement and use thus have important implications for the BID. Through calculated intervention in these areas, the biological becomes biopolitical; strategies for generating surplus value are dependent upon eliciting biological, perceptive and subjective affects, hence why the BID is so concerned with micro managing space within its district. The perception and use of the district is not a “product” or a process of traditional labour, but they are factors which play a vital role in producing value, and can be considered as processes of immaterial labour captured by the BID. This is a valorisation of experience, in the broadest, everyday sense. The use of city space and the social relations that play out within it - the social experience of urban space - is captured by by BIDs. Murtola suggests that “the commodification of experience can mean nothing but an attempt to draw life into the capitalist circuit of valorization, in which work and life, labour and leisure, production and consumption, become increasingly intertwined” (Murtola, 2014, p. 837). Victoria residential property has increased in value by 50% during the BIDs existence (District, 2014a, p. 16). It is unclear whether this is entirely the result of the BID’s work, the BID appears to welcome this and wishes to sustain it.





**Figure 20** - Public map in Victoria outlining the extent of the BID. Source: Harley Ronan (July 2015).

### 5.3.5 Expropriation of Value - Empirical Analysis, Hamburg: Branding and Consumption: Place, People and Profit in Neuer Wall BID

#### i) Neuer Wall - Content

The Neuer Wall BID dedicates 18% of its five year budget to marketing and branding the district - around €142, 300 per year. The Victoria BID dedicates 20% of its annual budget to marketing, but this figure amounts to almost three times as much in absolute terms: €393,885.<sup>6</sup>

This district has a consistent brand and image - that of a high end luxury shopping district, and its marketing and branding activities are directed at promoting and maintaining this. As the interviewee put it: “The district has very special customers, so what we basically have to do in Neuer Wall is to provide a very safe, clean, well maintained public space” (Interview: Appendix C, para 22). Street furniture and beautification is a key part in delivering brand Neuer Wall, and the BID actively seeks to promote an image of luxury, cleanliness and safety. As mentioned above, the BID deploys security staff not in the light of security problems but as a form of marketing - to have a walking, talking physical embodiment of the brand and representative of the clean and safe philosophy.

The BID runs special one off marketing drives, including a Christmas campaign; a summer event including concerts, food events to be run in conjunction with other neighbouring BIDs, and it has also developed an app to develop its brand and image and guide users through the district. The BID also maintains a social media presence, promoting the BID online. The BID is also working to coordinate marketing activities with neighbouring BIDs to create “Total Brand Hamburg” (Wall, 2014, p. 3). This is a complex and ongoing situation in which multiple actors, private and public, are attempting to coordinate a unified brand of Hamburg to market the city.

#### ii) Neuer Wall - Motivations

Other than the explicit attempts and policies described above, interviews confirmed that Neuer Wall seeks to maintain its established brand as a luxury shopping district, and its chief method

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<sup>6</sup> The Victoria BID lists its expenditure in pounds sterling. £309, 364 was allocated to marketing, equivalent to €393,885 (1 GBP = 1.27321 EUR, XE.com 19/06/2016).

of doing so is by providing an immaculate streetscape, a secure environment (i.e. safe and socially homogenous) and a proliferation of high end tenants.



**Figure 21** - Neuer Wall logo embossed onto sidewalk. Source: Harley Ronan (2016).

The Neuer Wall district “has long been the image of a “luxury mile” in Hamburg” (BID Neuer Wall, 2014, p. 2). Neuer Wall BID is therefore concerned with maintaining and promoting this cohesive identity of the district as one of high end consumption. As Eick suggests

The idea of building [the Neuer Wall BID] did not arise because of the ‘existence-threatening economic difficulties of individual traders’; the property association was aiming for a better outward appearance of the public space, which was ‘seen to be inconsistent with their exclusive shops’” (Eick, 2012, p. 128, quoting Nicklaus, 2009: 59).

This BID, as was the case with Victoria, is prone to jumping scales to attract international tourists to the district and their spending habits:

For us it’s important to maintain the standard and attract more and more international customers because Hamburg is more and more important on the international tourism map, but we still don’t have direct connections to China, direction connections to the US, there are more international tourists in Frankfurt...but we don’t have direct flights that connects us internationally (Interview: Appendix C, para 24)

The BID believes that it needs to work to attract Chinese tourists and others who are the “right kind” of people to the district - i.e. those who spend - as opposed to those who come to the city and do not spend extensively:

The public city marketing focuses on marketing Hamburg as a musical city but the musical visitors from Germany and maybe a little bit from Scandinavia spend a night a Motel One, go out for dinner on Reeperbahn and they leave again so they are not really the customer of Neuer Wall. This is kind of a gap that we have to fill. But that is for all the projects on the western city. Our neighbours on the left side of the map have the same kind of problem: we need to attract the high class tourists and customers to those streets (ibid).

This biopolitical concern involves the use of branding and marketing the district internationally, and filtering in the “right kind” of people and filtering out the “wrong kind”. Interview findings suggest that this is linked to the nature of the people for whom the BID works for: institutional investors.

In the city centre BIDs you have a few property owners who are private persons. We need those as they always come to the steering groups, but the rest are professional funds - banks and institutional investors - and they think without emotion, only in terms of profit (Interview: Appendix D, para 38).

Accordingly, this suggests that the BID believes that it is justified in extracting maximum value from the city. As referred to above, the BID seeks to do this through shaping the built environment and perception of the district - locally and internationally - to increase consumption and property values. There is evidence to suggest that the BID has been a successful vehicle for achieving this uplift in value. The BID argues that “various indicators show dynamic economic development of the Neuer Wall since the Establishment of the BID” and points to the transformation of parts of the district into luxury shopping areas, and a new development with 100 apartments, retail and hotel accommodation, and the redesign of the neighbouring BID - Nikolai Quarter - which is a “dynamic development [which] will also promote the wider environment of Neuer Wall” (BID Neuer Wall, 2014, p. 2). The BID suggests that the branding of the district has increased visitors and use of the district (BID Neuer Wall, 2016).

The outcome of the BID’s work in attracting the “special kind of customer” to shop and consume in the district is intended to have an impact on the value of property in the district. In Neuer Wall BID the property values and therefore rental prices have increased following the



BID's creation (Eick, 2012; Interview IV). The Neuer Wall BID has a specific focus on managing the district and increasing property values on behalf of global investors. The Neuer Wall BID enables global firms to extend their reach beyond their ownership of property to reach out into the city and increase the value of their holdings. Through manipulating movement, exclusion and perception the BID can attract and dispel urban inhabitants to their district, to encourage them to linger, and to encourage them to spend. This form of "labour" adds value to the assets of the global investors represented in the district. But this is a form of value achieved through extraction rather than production; it is really rent rather than profit, extracted from the social forces which produce the common that is the fabric of the city. Property, urban space and its perception and use in global cities thus becomes a key strategic site of investment, and BIDs are a vehicle through which to add value to portfolios by creating the "right kind" of district.



**Figure 22** - Neuer Wall BID. Source: Harley Ronan (2016).



**Figure 23** - The linear design of the district encourages movement and flow. The absence of small public spaces, seating and natural stopping points means that movement is propelled forward or inwards, into shopping areas. Source: Harley Ronan (2016).

## 5.4 Expropriation of Value - Conclusions

This analysis has focused on the specific technologies deployed by BIDs, as a distinct form of enclosure, to expropriate value from the city. It has analysed how these enclosures seek to extract value from the city through branding and re-imagining the urban in order to increase consumption and property values.

The findings in this thesis suggest that the form of economic value which BIDs are seeking to achieve is increased consumption and property values. It has shown how BIDs constitute a form of enclosure which enrol urbanites into forms of immaterial labour which increase the value of the district. This form of enclosure thus extracts value from urban life and urban subjectivity, and represents and intensification of capitalist relations: accumulation does not just take place in demarcated spheres, but in all parts of life, and is not necessarily productive but extractive: “the future of capitalism, in other words, rests not on the extraction of profit from commodities or services, but on the production of money directly from money” (Nealon, 2002, p. 79).

These enclosures operate in a broader framework of accumulation that is based on consumption, financialisation and debt. The experiential, post-industrial economy focuses on exploiting value from the populous. This accumulation regime has important urban dimensions, and the city “becomes the frame upon which its physical surface is inscribed with new ways of playing the global competitive game... At the same time the city is represented in images, texts and logos and is thus embedded in a certain logic specific to the urban intervention” (Jensen, 2007, p. 213). This form of analysis reveals how the city has become the factory, and how biopolitical production has replaced industrial production. The next axis considers the implications of these findings on the nature of the city.



## Part VI - Axis of Investigation III Axis: Homogeneity, or Loss of the Common

### 6.1 Introduction

This axis is intended to lead analyses of how BIDs, as a form of enclosure, diminish the common that is the city, and bring about post-political urban homogeneity. The proliferation of BIDs is contributing to a vision of urban life as one of consumption and consumerism, highly controlled and devoid of democracy. This forecloses possible urban futures

### 6.2 Homogeneity - Conceptual Analysis: Homogeneity and the Post-Political City

This section examines how BIDs articulate a dominant conception of city space solely as a site of consumption and accumulation. It investigates how the productive possibilities of the common to build alternative more socially just futures are buried.

#### “Post-city urbanism”

BIDs form part of a landscape of urban governance which is characterised by interconnected enclaves of control in which multiple technologies of control are deployed, and in which differing rules, norms and goals are in existence. Graham describes BIDs as operating to achieve their “secession from the wider city” (Graham and Marvin, 2001, p. 262). This negates not only the heterogeneity of city space and urban culture, but also the rule of law in the city is no longer a coherent administrative and legal entity in which all are subject to the same regulation. The proliferation of BIDs and other enclosures creates a city comprised of an overlapping, “honeycomb of jurisdictions” (Alsayyad and Roy, 2006). BIDs form part of contemporary urban fracturing, in which “enclosures and privatised circulations erupt as archipelagos within, through and between what are conventionally understood as cities” (Graham, 2012, p. 322). BIDs transform the city in bubbles of “hegemonic consumerism” and exclude the least powerful (Clough and Vanderbeck, 2006, p. 2264). This homogeneity - or destruction of the common - is brought about by enclosures of the city.

BIDs form part of the broader urban political landscape described by MacLeod (2011) in which special interest groups, private companies and purpose built organisations are increasingly managing, controlling and governing large swathes of global cities. In seeking to extract value from the city, a key task of these groups is to cut through contentious urban politics, democratic



concerns and to manage the city in a pro-growth, pro-profit consensus with privileged access to elected officials and public resources. As MacLeod puts it,

this process of polic(y)ing and governing through a stage-managed consensus is serving to depoliticise 21st-century capitalism's deeply antagonistic social relations, suturing alternative political spaces and neutralising dissenting voices and the agonism viewed to be mandatory for a 'properly' political urban landscape (MacLeod, 2011, p. 2632)

Swyngedouw has extensively documented these trends as the manifestation of a post-political condition in which cities are increasingly managed in a consensual pro-growth fashion which forecloses the possibility of true political debate and urban management (Swyngedouw, Moulaert and Rodriguez, 2002; Swyngedouw, 2010, 2011, 2011). BIDs form part of this movement, and urban management is "increasingly framed in a common and consensual language of competitive creativity, flexibility, efficiency, state entrepreneurship, strategic partnerships, and collaborative advantage" (Swyngedouw, 2007, p. 60). The proliferation of private sector urban management coalitions which orchestrates a consensus driven pro-growth agenda between institutions and the private sector constitutes "a broadening of the sphere of governing, while narrowing, if not suspending, the space of the properly political" (Swyngedouw, 2010, p. no page numbers). Swyngedouw argues this is a regime of governance "concerned with policing, controlling and accentuating the imperatives of a globally connected neo-liberalized market economy" (ibid).

In interpreting the proliferation of BIDs as the deployment of enclosures by contemporary capitalism, this trend of foreclosing the political - of foreclosing the "properly political" and promulgating an impenetrable political agenda of urban growth greatly diminishes the heterogeneity and possibility for alternatives in the urban world. BIDs cut through the "messiness" of urban politics and citizens' needs to put forward an elite driven and business dominated city with the desire for profit and economic growth. Business is thus provided with privileged access to governance structures and excludes residents and other interests, contribution to the construction of a highly polarised and homogenous city.

### **6.3 Homogeneity - Empirical Analysis, London: Homogeneity in Victoria BID**

Victoria BID policy literature makes a pledge to lobby and influence local government. (Victoria BID, 2014b, p. 27). As a central London BID, Victoria benefited from Westminster Council employing an officer whose sole responsibility was to work with the central London BIDs. Whilst this role is undergoing review do to restricting at the Council, during interview the

BID suggested that they “get a lot of things done” by this institutional relationship (Interview: Appendix B II, para 45). The BID also benefits from more informal institutional relationships through which the Chief Executive of the BID meets with the Chief Executive of the Council and vice versa. This extends to working relationships between BIDs. Victoria and the other central London BIDs work together on projects and regularly meet at events to share information. The Victoria BID stated that Victoria and the central London BIDs

communicate mostly on London wide issues. So we talk about the high street fund, where there is legislation affecting BIDs- we talk about that- there’s potentially new busking rules, we talk about that. It tends to be here’s a London wide thing that’s happening that we want to talk about or that we could make happen if we got together (Interview: Appendix B, para 81).

This language concerning “getting things done” was also found by Minton (2012) in her review study of BIDs across the UK. When interviewing BID managers, Minton found that “it was precisely the undemocratic nature of the [BID] approach which is the unique selling point, because it means ‘you can get things done’ without getting bogged down in the competing needs of different groups” (Minton, 2012, p. 55). Similarly, in the Greater London Authority’s investigation into BIDs, a London BID manager responded that “You can talk a lot and plan for a long time, but one of the key values, I believe, in BIDs is we can make things happen” (Greater London Authority, 2015, p. no page numbers).

Interviewing Victoria BID, the same discourse emerged. When asked about the benefits of the BID model and what needs improvement,

you could say there should be some more checks and balances but as far as possible while keeping the freedom that BIDs do have because we’re not a local authority and that’s what’s great about the BID: that we can say or do something, raise funds and go and do it. And that’s attractive, that’s what the businesses want because that’s what they do, that’s how they operate: they understand that (Interview: Appendix B, para 21).

#### **6.4 Homogeneity - Empirical Analysis, Hamburg: Homogeneity in Neuer Wall BID**

In the case of Hamburg, Eick suggests that BIDs are also operating there in line with the new urban politics discussed above. Eick argues that “in the German context, urban entrepreneurialism creates ‘monied oligarchies’ in an ‘informal constitutional state’...The process of urban BIDization, thus, is the institutionalization of lobbyism coordinated by local urban regimes” (Eick, 2012, p. 123). The Neuer Wall BID manages strategic relationships with

key actors across the city - other BIDs, the Hamburg Chamber of Commerce, local government and police forces - to broaden the sphere of governing whilst reducing the opportunity for true democratic engagement concerning the city. BIDs in Hamburg become “public agents” and local government is obliged to be consulted by local government in urban planning and development projects, placing BIDs in a privileged position of influence not only in fact but in law (Binger and Büttner, 2008) . Eick suggests that the Hamburg experience is representative of local government and business understanding BIDs “as blueprints for a new structure of cities” which institutionalises growth coalitions, led by business owners, property owners, local elites and government officials (Eick, 2012, p. 123).

Interview findings reinforce these reflections. The City of Hamburg employs two officers in full time position to facilitate the work of BIDs. These officers sit on BID steering groups, and have privileged access to the city’s politicians, which the BIDs can take advantage of for lobbying and other concerns. These officers:

go to all meetings on projects with BIDs. We provide advice and help if they have questions, we are always there for them. We try to, if they have special interests and doing lobby work, we try to help them, and the other way around: if the city has messages for the BIDs it’s our work to say yes or no. So we’re kind of in between... if the BIDs have good ideas we try to take them and make them bigger or put them in a law for the whole city to work out. (Interview: Appendix D, para 16-18).

Despite a requirement to treat all actors the same, the city is clear that they get much better influence and treatment in Hamburg city politics due their demands and their influence:

The BIDs always say that we pay a lot of money in public space and we do a lot and we want to be treated better than everyone else, but that’s not possible, we have to treat them all the same. But actually of course they get better treatment because we are always next to them in the steering groups, and in every district there is somebody for them to talk to (ibid).

But the interviewee was aware that it is politically unattractive to be seen to be privileging BIDs:

We should treat them better, much better. We already treat them a bit better as I told you. If we treat them much better than others just because they pay they get better treatment then it would cause us many political problems. Some parties would say its not good, if only those people who pay decide how the city develops, that’s not good (ibid).

In addition, Neuer Wall BID stated that there is “a very good working relationship” with the city, but despite their privileged access and position in Hamburg politics, they too echoed the

belief that they should be treated better, with formal entrenchment of their status as a powerful urban actor that requires specific treatment. In particular, the Neuer Wall BID believed that it had to work with the city as the role of BIDs grows in Hamburg from construction to urban management:

The BIDs are treated like someone who wants to sell sausage...they have to treat everyone the same in approving a marketing measure, or a party on the street...This is something that we still have to learn together, that after the construction and renovation of public space undertaken by BIDs of course what follows is the management. Now we have to discuss with the city administration what kind of public management they will allow us over public spaces. I think that discussion is very important and we have to come to a conclusion there (Interview: Appendix C, para 34).

These findings in the cases of Victoria and Neuer Wall is in keeping with MacLeod's suggestion that new urban politics is characterised by "the rise of a post- democratic institutional configuration" (MacLeod, 2011, p. 2648, drawing on Crouch, 2004). MacLeod suggests that

"While formal liberal democracy may remain intact, the act of governing is reconfigured around a 'stake- holder' arrangement with traditional state spaces (national, regional, urban) sharing power with 'sensibly partitioned' and 'responsible' partners" (MacLeod, 2011, p. 2648).

## 6.5 Homogeneity: Conclusions

The form of secessaniory or enclosure urbanism constitutes a new model of urban governance: micro and mobile, highly flexible and undemocratic, enabling capital to gain access to urban governance and deploy technologies of value expropriation. This proliferation of secession destabilises the city as we know it, giving rise to what Alsayyad & Roy describe as a form of "post-city urbanism" (2006, p. 18) in which the city - as a political, civic and legal entity - is replaced by contiguous and exceptional zones of governance.

Post-city urbanism is characterised by proliferation - a multitude of governance regimes. Each enclosure is made up by a different, individual body of rules, managers and norms. Often these actors overlap - as was found in the case studies of this thesis - but it is still important to note that homogeneity is not achieved like a blanket thrown over the city, but is more like a patchwork applied to urbanity, with BIDs emerging and evolving at different times and in different places. As Eick notes, "neoliberalism plays out differently at different times and in different places" and accordingly "BIDs differ in their construction, contestation, creativity and

consequence” (Eick, 2012, p. 124). In the London and Hamburg cases, the enclosures are so prevalent that secession has almost become the norm so that when moving throughout these city centres it is difficult to *not* be present in these physical spaces and governance structures. This creates a situation whereby private governance structures are homogenous and interlinking throughout the city, and create social and political homogeneity through their existence; private structures which determine the nature of the city but which are impenetrable. As one interviewee suggested,

everyone who comes to this district doesn’t really know that there is something completely different. They only see that it’s nice and this is actually what we want to achieve (Interview: Appendix C, para 56).



**Figure 24** - A BID ambassador speaking with a person begging in the Baker Street Quarter BID. Enclosure urbanism is characterised by multiple regimes of power, multiple rules, intersecting with one and other and producing differing norms for differing groups. Source: Harley Ronan (2015).

This is a form of splintering or enclosure urbanism which, through the proliferation of splinters, enclaves and enclosures, gives rise to a radically different city - a consistently homogenous hyper regulated consumer landscape in which the subjectivity of citizens is a crucial factor in determining the value of space and place. As found in this investigation, new approaches to capital accumulation are deployed within their confines, drawing citizens into the circuits of accumulation as their subjectivity and experience becomes a tool of biopolitical management. It is also important to note that BIDs are but one form of contemporary urban enclosure. There exist a plethora of legal and political forms which carve up urban space into exclusion zones, security zones, infrastructure zones, economic zones, development zones and many more, each with a different legal basis, governance structure and highly exclusionary (Alsayyad and Roy, 2006; Bottomley and Moore, 2007; Graham, 2012). Often these entities comprise both public and private actors, and whilst they operate within their enclave, networks and partnerships often extend beyond the enclosure in question, a finding confirmed in the context of BIDs by every interviewee for this thesis. This amplifies the power of such enclosures: we are subject to each jurisdiction when in their confines, but the policy and knowledge spread between them amplifies their impact. Accordingly, their internal power is amplified through partnership. This entails consequences this has for urbanity as we understand it. As Bottomley and Moore suggest,

rather than being overly focused on the privatisation, or ceding, of aspects of governance which were once the monopoly of public authorities, we should be more interested in emerging patterns of governance through partnership between public and private agencies. Crawford says of the movement between ‘public’ and ‘private’ space, defined either in terms of ownership or control, that: ‘we appear to slip seamlessly from one ...“bubble” of governance to the next...’” (Bottomley and Moore, 2007, pp. 197–198, quoting Crawford, 1999, p. 84).

Importantly, enclosure urbanism is characterised by difference in terms of rules, governance and norms, but homogeneity in terms of the built environment, urban society and the potential for possible urban futures. It’s a highly flexible environment for those on the inside, producing a consistently homogenous urban consumer landscape, but incredibly difficult to destabilise and change from the outside. Significantly, interviewees suggested that enclosure urbanism is a permeant feature of the urban landscape (Interview IV). When considered in their totality, the political and democratic notion of the city as a coherent legal and administrative entity becomes difficult to maintain.



BIDs achieve secession from the wider city through law. This is a form of legality that subverts the rule of law in that enclosure urbanism undermines the concept of a coherent body of law, applicable throughout space and time, and creates a patchwork of competing jurisdictions and systems of rules, applicable to different people in different places. Because of this, Bottomley and Moore argue that

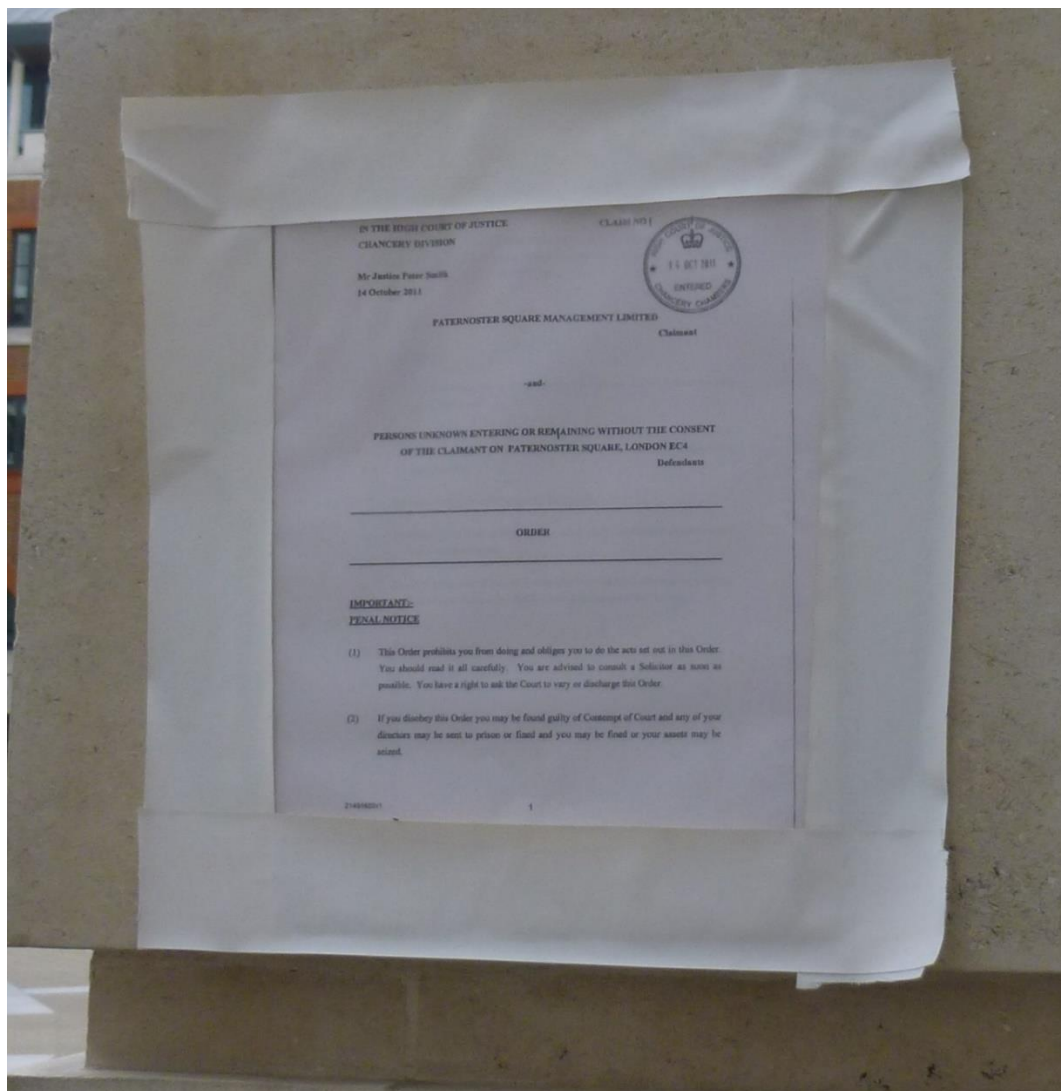
We can no longer attempt to maintain a sharp distinction between public and private space in our urban centres, nor between civil and criminal law: we are dealing with the development of patterns of diffusion and dispersal in governance that go beyond, and subvert, the classical, juridical, discourse of law. As architecture opens out, so also does the law into patterns of regulation, which make and mark a control society. As we walk through urban centres we increasingly cross boundaries between public/private ownership without knowing that we have done so, just as we increasingly walk in and out of zones of regulation...without knowing we have done so (Bottomley and Moore, 2007, p. 204).

As Holston and Appadurai note, such trends turn “the city into a honeycomb of jurisdictions in which there are in effect as many kinds of citizens as there are kinds of law” (Holston and Appadurai, 1996, p. 199). Importantly, they note that “such multiplicity delegitimizes the national justice system and its framework of uniform law” and denotes “the emergence of an almost medieval body of overlapping, heterogeneous, non-uniform, and increasingly private memberships” (Holston and Appadurai, 1996, p. 199-200)..



**Figure 25** - A security guard in Paternoster Square, London. A privately owned public place owned by Mitsubishi Estate Co - a large Japanese property developer. This was a key site of the ‘Occupy’ movement. It is now a closely guarded space with an extensive body of rules, and spatializes the High Court judgement (Fig 17, below) expelling the Occupy movement. Source: Harley Ronan (2015).





**Figure 26** - The High Court order expelling the 'Occupy' protesters, taped to the wall at each entrance to the square. Source: Harley Ronan (2015).

The suspension of the rule of law is now a norm, and post-city urbanism is characterised by the state of exception. As Gray and Porter note, drawing on Agamben (2005), the state of exception has become a “‘normal technique of government’ radically altering the structure and meaning of legalistic and political forms everywhere... extensively operative in everyday life” (Gray and Porter, 2015, p. 380; Agamben, 2005, 14) Such systems of rules and governance are impenetrable and inaccessible, yet they are everywhere in the contemporary city, BIDs being just one example. These regimes have significant power to determine the nature and scope of urban life, and when they are cloaked and hidden from view, visions of possible urban

futures become impossible to realise; when the object of challenge is unidentifiable the process of challenge is problematic.

## Part VII - Conclusion and Possible Urban Futures

“This logic is one that forces us to think about a post-city urbanism where the paradigm is not the city—not even the exclusionary neo-liberal city—but rather the state of exception” (Alsayyad and Roy, 2006, p. 18).

This investigation has found that BID's play a significant role in the urban governance of two contemporary European cities. This thesis argued that rethinking the concept of enclosure enables us to think about the historical trajectory of capitalism, changes in regimes of accumulation and the role of cities in contemporary mutations. It was suggested that the concept of enclosure can be used to examine how capitalism reproduces itself into new domains, new spheres and new eras. This thesis argued that cities are strategic sites in contemporary shifts to a biopolitical epoch of capital accumulation. This regime, it was argued, is characterised by the incorporation of life into the circuits of accumulation. For the purpose of this thesis, it was argued that BID's represent a contemporary form of enclosure deployed by capitalism which enables it to extract value from the city.

To operationalise this argument, the analytical framework consisted of three axis of investigation enclosure which it was suggested have been continually present in the history of capitalism. Applied to the object of analysis of this thesis - business improvement districts - these axes were constructed as a methodological framework to guide interpretation and data collection.

The axes were sequential in nature. It was argued that enclosure deploys technologies of **prohibition** which in turn enable capital to utilise new strategies of accumulation to **expropriate value**. The result of these processes is loss of the commonly produced resource at hand, and ensuing **homogeneity**. This framework was constructed to analyse any form of capital's enclosure. Applied to the object of this thesis, BID's, the first two axes analysed how BID's, interpreted a form of enclosure, gain purchase on the city and on urban life through biopolitical forms of prohibition, and how, once in place, they seek to expropriate value from the city by drawing subjectivity and urban life into the circuits of capital accumulation. The third axis

argued that this constitutes a new form of urban governance - enclosure urbanism - which is characterised by a widespread form of social, political and urban homogeneity.

Each axis consisted of a conceptual and empirical analysis. Whilst the analysis cannot be reduced a binary true or false response to these predictions, the analyses and investigations completed under each axis on the two selected case studies in Hamburg and London did broadly reflect the predications of the hypotheses. This was particularly so under the first two axes. More work is needed to fully understand the implications of BIDs and “post-city urbanism”.

This investigation has found that BIDs do exhibit many of the features of a biopolitical regime of capital accumulation outlined in the theoretical framework, and that these features represent a contemporary form of enclosure. An important insight not pursued in this thesis due to restrictions on time and space is the effects of biopolitical enclosures on urban inhabitants; how do they affect the subjectivity of urban citizens, how do they inhibit social movements, and are citizens aware of the reality of enclosure urbanism? Such questions and their answers are important if we wish to use the city and its potential to build better, more socially just urban futures.

This thesis is but one small insight into enclosure urbanism, a form of urbanity which constitutes the apex of the post-political city. Under this regime, movements, flows and the production of space are determined in advance of conduct. Recalling the work of Lefebvre and his position that space is socially produced, when conduct, society and interaction and predetermined the social production of the city is stunted. Enclosures enable the social production of the city to be controlled and predetermined, withering the social, cultural and political vitality of contemporary cities.

Furthermore, the forms of power which create enclosures and diminish the city are highly opaque and difficult to challenge. This poses an important political question: if cities are increasingly governed through opaque enclosures, enclaves and splinters such as BIDs and other manifestations and which are expanding the sphere of capital accumulation to capture value from every element of daily life and diminishing the European city as we understand it, is this trend politically legitimate? And how can urban and social change be bought about in a context where the structures of power and accumulation are obliquely ubiquitous? How can alternative visions of urbanity emerge and take form in the homogenous city? Such questions and their answers are beyond the scope of this thesis. Movements such as the right to the city

seek to shift the terms of the debate and highlight the social use function and value of urban space over its economic value, and activists working under the banner of the commons similarly make the same case. It is suggested here however that such movements can only be successfully articulated when one understands “what we are up against”, i.e. what are the novel techniques of government, modes of power and methods of subjection taking place in contemporary cities. As De Angelis puts it,

To address our meta-questions one has first to understand the forces we are up against, and that contribute to make the nasty aspects of the world we live in. Capital is one of these social forces, and the analysis of enclosures one aspect of capital’s strategies (De Angelis, 2012, p. 5)

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## **Appendix A: Interview questions for BID managers.**

Interviews were semi-structured based around the following questions.

### **Historical context of the BID -**

Why was your BID established? What was the context? How many businesses?

What are the goals/key priorities of your BID? Why is the BID a good vehicle/mechanism to deliver this/these?

What is the most important part of the BIDs work, and what are the main problems facing your district?

How can BIDs use the public realm to benefit their work?

In terms of the goals you and the team want to achieve, is the BID the most appropriate form? Would you prefer a different framework, or is the current BID option a good framework for your goals? What do you see as the main benefits of being able to form a BID that is recognised in law?

What can you do as a BID that you couldn't do as a different association?

How long would the BID to run for? When will 'improvement' be achieved?

What benefits do businesses get that they wouldn't receive if the BID did not exist?

### **Working context**

How much regular involvement do you have with the businesses in your area?

- Do they play a significant role in the day to day delivery of the BID's projects, or are they more passive?
- Do you have one contact that deals with all businesses, or can they contact anyone from your team?

Does your team [i.e. the BID management team/board] always see eye to eye with the businesses? Do you often have disagreement about projects/priorities? [If so, ask for examples, and how was the conflict resolved?]

Do you have any issues concerning the businesses who did not vote in favour of the BID?

Do you have any working relationships with other London BIDs? Do you work closely with BIDs UK?

Are some businesses more dominant/vocal/involved than other businesses? Do the larger firms, with more resources, generally get more involved than smaller firms?

Do you have any problems with businesses that don't share the vision of the BID, or whose nature is disruptive to the image you want the BID to achieve?

Do you have any say on new businesses that want to come to the area?

Is the size of the BID and the number of the businesses a manageable size?

#### **Local government and others**

- How closely do you work with local government and other state agencies [i.e. the police]?
- Do you receive funding for any specific projects? Is their support necessary? Is this achieved through lobbying?
- Are you happy with the local authority? Do they do enough to support your BID?
- If your BID sits within two local authorities, is this a benefit or a hindrance? Does it give rise to any problems?

Does the BID provide easier access to local government for businesses than would otherwise be the case if the BID did not exist?

What benefits does working with local government bring to the BID/area/businesses?

Do you work with developers or other big projects going on in the area?

#### **Specific projects**

Safety is a key priority for many BIDs - why is this, and what do you do to improve safety and security?

Why do you operate an ambassador scheme?

- What problems was the district facing that necessitated the introduction of ambassadors? How many ambassadors do you have?
- How do you source them [how are they recruited/trained: in house or external]? What are the ambassadors priorities?
- What kind of problems are they encountering [and how do they resolve them]?
- Do they use any technology to report problems? What benefits do you gain from operating the ambassador scheme?

Does the BID directly operate or commission any CCTV?

Marketing - how do you use the history, culture or identity of your district to help your businesses? Do you believe a brand for the district is beneficial to members?

Who produces your maps and literature? Do you communicate with other BIDs to provide consistency of branding and image?

Why do you operate a loyalty scheme? Does this generate data which is used/measured?

Why do you operate footfall technology? What benefits do you gain from it? Do you alter projects in response? Do you advise users that this is in operation?

### **Critical**

How would you respond to the criticism that BIDs give businesses too much power in that it allows business to govern public space?

Do you think BIDs suffer from a democratic deficit? Should we welcome that our streets and public spaces - elements of cities that are for the common benefit - can be controlled by BIDs? Can members of the public get involved with the BID?

Is it legitimate to govern a BID district simply because a majority of businesses want to? Should there be broader public involvement in the establishment of BID?

Often BIDs work to prevent undesirable but lawful behaviour - loitering youths for example - do you think it's desirable for a private company to try and prevent lawful behaviour?

## Appendix B: Transcript of interview with executive member of London Victoria BID, 07/08/15.<sup>7</sup>

1. *I: I have some questions on the context of the BID and what you do on a daily basis...I have them grouped thematically. Can you tell me a bit about why this one was established?*
2. **P:** Well it was before my time, Ruth- Ruth Duston's our Chief Executive um and this BID was initially established in 2005, it's ten years old. And before that it was a partnership for I think 3 years - I can check that for you um and we have two very dominant land owners here so as you can see outside all the construction sites and modernisation is Land Securities um and this is I think their biggest hold of land and they are the biggest land owner ur developer in London um and the other is Grosvenor. So these two have- were involved in the very beginning um I think Ruth has been a driver, Ruth has started a lot of BIDs in London and if you ever get a chance to talk to her about any of this - she's on holiday at the moment but she would be a great person cos she's got three at the moment, she's started other ones, she's been involved in Baker street, Paddington, Northbank, so she does a lot of you know a BID guru...my understanding is different BIDs, you would know this better than me, where er there's a bit of a gap or a feeling of a need of extra focus or attention um so I think at a very simple level Ruth would be able to tell you more. She spoke with Land Securities and Grosvenor and they wanted to get it going so it starts from a very small group basically, with a very small amount of seed funding from those two developers and then they got some interest from there...
3. *I: Do you know anything about the 'gap'? What was the problem they were responding to - do you know anything about that?*
4. **P:** What we started doing- we did a lot of cleaning, a lot of security. Here Victoria particularly has a history of rough sleeping issues um it's sort of nationally famous for that unfortunately, and there was 6 soup kitchens and dozens of people sleeping out on the piazza at night so I think that was probably the main reason - it wasn't a very

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<sup>7</sup> I = Interviewer. P = Participant.



business friendly area, what was a little bit intimidating, and Victoria Street was all full of 1960s government office buildings and as they have moved out or consolidated their offices and are now - DCLG has moved in with the Home Office as they had to look at their estate, that's freed up Victoria Street to be redeveloped and looked at again. So it's gone from quite a sort of flat place with a bit of a depressing feel and the idea is that we will enliven it and make it, you know, more attractive.

5. *I: OK that's good actually because that leads on to my second question: what are the goals or key priorities of your BID here?*
6. **P:** A major one for us that they don't really have in some other parts of London - you know, the West End don't have this problem - is trying to find an identity for this area or a key attraction or something - it can be known for. 'What is Victoria?' is a question we've asked in surveys and we get hundreds of different answers and a lot of blank faces, so that's the overarching thing. Of course we want it to be cleaner, and greener and safer as well, but if we can give this place an identity then we will have achieved our aim I think. Everyone's here to work or leave. Victoria is the station and it's between Belgravia and Westminster. And I worked in Westminster for 8 years and never ever came to Victoria. Which is really bad, but that gives me an insight to you know if I think of myself then what would have brought me down this street and what would have changed, so that's helpful.
7. *I: Ok that's good, so in terms of this identity what's the point of the identity? Is it about capturing value for business then? Is it about building this identity so people come here?*
8. **P:** Yes, we're different - so we are very much a corporate BID, so have 250 payees, of which the vast majority are office occupiers so we have workers, we have 9 to fivers Monday to Friday- we have some hotels, we have some theatres, some restaurants, and we do want to attract people here for them but we also have to a job to do in trying to keep people from going at five o'clock at night. We are not going to achieve that yet because there's not enough here. This building here, Nova -the Nova development is going to have 17 glamorous restaurants in it, much more incentive than anything that has ever been here before and hopefully that will make people want to get on the train from Brighton to Victoria, it should be a real attractor. But we also- this identity needs to make the place where somewhere people feel proud to work so they say [positively]

‘I work in Victoria’ not [negatively] ‘oh I work in Victoria’ um and you come to me after work rather than me always coming to you- so we need to enliven the space and give it a bit of a selling point for the people who are already here nine to five, Monday to Friday, which I think is a bit different because obviously the West End is ‘attract people, attract people, attract people’ which is different-

9. *I: So is it about creating this identity or is it about using the public realm or changing the public realm, or is it a mixture of the two?*

10. **P:** I think they go hand in hand. If we can increase the green space in this area I think particularly green space rather than general and make it a more attractive place to dwell it will seem more like a destination and more like somewhere to spend time in its own right. So I think the public realm is absolutely key. How these developments work together with 5 different developers is really important for how people will see this as a slightly improved place that you leave or a place that you stay in.

11. *I: And in terms of how long the BID would run for, do you have any plan for an end game or end goal? I think you renewed just this year -*

12. **P:** This year, so on the 1<sup>st</sup> of April this year we entered our second term and now we’ll definitely be here until 2020. One of the issues I personally have with the phrase ‘BID’ and the words ‘business improvement district’ is that it implies that you are only here to improve something, get from A to B, whereas actually if you are a BID that is doing a good job you should be able to- you should not be able to justify yourself but you should always have something else to do and particularly in London. London is a globally competitive city, we want it to continue being the most visited city in the world, we want it to outshine all others and BIDs can play a big part in that if they’re doing the right thing and they’re not just trying to get from one small set of circumstances to the next.

13. *I: Yes, when I think about the name ‘business improvement district’ - that implies that there is a point at which you’ve reached your goal, you’ve improved the area-*

14. **P:** It also implies that you’ve got one particular area which is horrible-

15. *I: Yes, perhaps it’s a name thing. This is a good segue into the next question about the format of the BID: do you think that it’s a good mechanism for the kind of goals that*

*you want to deliver? Is the current framework good enough? Are there changes that could be made?*

16. **P:** So I - maybe my personal politics - I'm quite anti additional legislation in any case unless absolutely necessary. The good thing about it is that we can do things. We have a governance structure obviously, I can't just personally say we should go and do X or Y; we have to go through our steering groups and our Board, but if businesses want to do something with their money the council tends to be quite supportive, as far as they can be, because they know we are a democratic organisation or we have the fund behind us, we're accountable if they don't like how it looks - we're still here, we're local to the area, we have to look at whatever it is we're trying to do every day, and so I think the framework for the BID is a good one - the sort of legal, governance, legislative framework is sound, but I do understand and I do hear a lot about BIDs that tend to be elsewhere in the country where they're maybe not managed very well and probably have one person part time, it's not their main focus and nothing really happens, or in very worse cases, funds are misused and that's not good for any of us - even though I think the central London BIDs are of a different calibre um its not good for our aim either. So you could say there should be some more um checks and balances but as far as possible while keeping the freedom that BIDs do have because we're not a local authority and that's what's great about the BID: that we can say or do something, raise funds and go and do it. And that's attractive, that's what the businesses want because that's what they do, that's how they operate: they understand that.

17. **I:** *Well actually that's almost answered the next question which is about the benefits: what benefits do businesses get that they wouldn't get if the BID didn't exist? Other than the service delivery-*

18. **P:** Yeah there's lots of operational elements-

19. **I:** *Yes but other than the operational elements, what are the key benefits? But I suppose you might answer the same way if it's about this mechanism where you can do things efficiently and quickly that you perhaps wouldn't otherwise be able to do*

20. **P:** Also I don't think it's just that they wouldn't be able to because these businesses you know if they all organise themselves and say we'll all put this money in a pot and we'll do this but every one of our businesses is full of really busy people and they through us

comment on every planning application in the area- they tell us in three sentences 'oh I hate that idea because there is that' or 'we love that idea' but they will never sit down and do their own response and they will never galvanise together to lobby for a bit of extra funding for a new Victoria station [inaudible]. We know they really care but it's not their day job, so I like to think we help them come together as a group and represent them when it comes to their local area- we can't claim to represent them because lots of these companies have headquarters all over the world and all over England and don't- they are not favouring Victoria over anywhere else but we can claim to represent their views when it comes to this little tiny patch of London, and I don't think they would get that otherwise.

*21. I: And moving onto the next item of your working context I was wondering how much regular involvement you have with the businesses- is it on a daily basis or more kind of intermittent in terms of their involvement*

**22. P:** We have formal moments when we come together and we have quarterly board meetings, we have quarterly steering group meetings around five themes and then we have a monthly formal newsletter of communication...beyond that it's all very ad hoc- of course we see some more than others, some are more interested in others um we're constantly meeting them but I couldn't say hand on heart I will say 10 every week- as and when they come up.

*23. I: And are there any key projects that they are instrumental in? Or is it, again, ad hoc- 'we've got this issue and'-*

**24. P:** Well they have to approve everything, so they're instrumental in that if we want to spend any money on something we have to take a proposal to them um the steering group for the first level of funding and the Board for anything above £20,000 so they have the final say so on all projects, and they also will help us out- they will offer the venues for these meetings or they will host- or they will say 'actually we've got a security expert who can come along and speak at that' so... we're- they are instrumental in pretty much everything, you know we did a rain garden project that was really successful um it's in front of John Lewes HQ and they gave half the money- we want to do something and they say 'oh we've got a space...actually we'd love that if you did that outside our HQ- we'll give you some extra money. A lot of things that we couldn't just

take their levy and go and do it ourselves- it is- the success of it does depend on actually giving some time-

*25. I: Continued involvement with them-*

26. P: Yes-

*27. I: And when they want to contact you do they have specific people for specific issues?*

28. P: Yes they have specific people for specific issues. Everyone's listed on our website area, there's also generic email addresses and anyone involved in the steering group has a contact.

*29. I: And do- in your working relationship with the businesses is it a good relationship or do you have disagreements about projects you're doing?*

30. P: It's generally very positive because we're trying to improve the area ur disagreements [pause] well you will have different sectors caring about different things so that's somethings a little bit tricky because our ambassadors- I don't know if you've seen them at the station with their bowler hats-

*31. I: Yes I have-*

32. P: um one of our office occupiers says 'why do we have them on a Saturday, we don't need them on a Saturday, none of my desks are on Saturday' but then you know the shops all pipe up and say 'well hang on, we don't need them on a Tuesday, we need them on a Saturday' and so I mean if you can call that a disagreement that's a pretty minor one. I think because we check so much with them in my one year here I haven't seen any outrage about any projects or any major horror at anything that we've done so we do check with them regularly but we haven't seen any.

*33. I: Do you have any kind of problems - I know you got 85% approval on the last ballot - but you do have any people speaking up who are not happy with the BID? For example I was talking with Fitzrovia and when they formed their partnership there was strong residents who didn't like the idea, they didn't like the BID, do you have anything like that here? Any kind of opposition?*



34. **P:** We do, internal business opposition- you might find this when you speak to other BIDs - chain retailers, particularly those who are based abroad- they will say 'it's not personal, nationally we vote no on BID ballots or we abstain'. So a lot of chains say it's too expensive, we always vote no. So there is a bit of that which is a shame because it pulls down your statistics even though the store manager thinks you're wonderful. We have probably three businesses out of 243 who are opposed to BIDs in principle. They think that the council should- this should all be delivered and you know fair enough- it's a perfectly acceptable view point and the fact that the council cannot does not change their view. They say the council should do all of this so I'm not supporting the BID. They pay their levy, and then again they make it clear that it's not personal to us, it's out of principle. I'm not aware of any particular opposition to Victoria BID as such but there is a strong resident community around Westminster Cathedral, a very aggressive residential community- lots of very high brow people, very intelligent people who have amazing letter writing skills- and I think we rightly or wrongly occasionally get caught up in irritation with the amount of construction going on, so there's a bit of confusion some times because we're called the Victoria BID and the Land Securities is branded as Create Victoria so we get a bit of confusion about that and we occasionally get accused of being like part of Land Securities or an element of their marketing team, so there's a bit of confusion there and we're greeted with a bit of suspicion but it's mostly about construction so hopefully in the longer term that will dissipate and we have supported the Neighbourhood Forum's establishment which will hopefully give the residents more of a voice and will allow- it's a business neighbourhood forum so it will hopefully allow more of a dialog between the neighbourhood and the residents so hopefully some of that suspicion will hopefully reduce.

35. **I:** *Do you have any involvement with any members of the public or residences in your governance structure? Do you have any resident groups or just the forum?*

36. **P:** We have residents on the steering group. I personally find that a little bit difficult because they don't pay the levy and not every business is on the steering group so I sometimes think it's a little bit unfair. But it's an historic thing that grew up around you know early days people asking to join and the BID being a very inclusive open place, trying to get people to know what it was, so people joined then and they have just been on for 5 years. So we do have residents but we don't have like a residents group- we're trying to get the neighbourhood forum to be- so hopefully we can go along to the forum

and can we tell you about the BID and what we're doing this month or- we also have our membership card and newsletter both of which are open to residents.

*37. I: OK, and the size of the BID and the number of businesses, I think you said you've got 243, and 110 acres - is it- how is that for the size, is it manageable?*

**38. P:** It's really manageable, I think we could probably take a bit more if we were really organised.

*39. I: Ok, and regarding local government: how closely do you work with local government-*

**40. P:** Really closely, they're one of our levy payers: Westminster City Council is on Victoria Street so they will tell us that they don't think something is going right um until very recently had a liaison- that's not fair, he was much more important than that, but I can't remember his job title- part of what he did was look after us and central London bids so if we had any queries he was our first port of call. They've had a big restructure and all the noise coming from the top and from the Cabinet is 'oh yes the BIDs are so very important, we want to work with you closely, the Chief Executive wants to meet with your Chief Executive or Chairman' but we haven't had a replacement on that role yet so it's a bit of a watch this space- hopefully they will find a way to wedge it in with someone else's role and we will continue to have the same level of engagement. If we don't that would be a real shame because we get a lot of things done by sitting with them as a group.

*41. I: And do they fund you on any specific projects or initiatives?*

**42. P:** They have supported things in the past, I think early days, now to be honest they have no money, or that's the answer we get.

*43. I: So does the BID provide businesses with improved or better access to local government than would otherwise be the case?*

**44. P:** hmm

*45. I: Even if it's indirect*

**46. P:** Indirectly yes because we have good access er and we will raise issues and concerns but directly I don't think so. We don't say 'go and see them'.

*47. I: So you mentioned these developers earlier, do you work with them on specific projects? On the ongoing construction?*

48. **P:** Yes. We have a strategic developers' group that meets once every six months for all the developers to sit around the table and list what work they have going on, so it's amazing to see how two multimillion pound developers can have projects right next door to each other but not looked at the paving they're putting in or number or type of trees until you actually sit them together and make them look at each other's design. We do that for public realm purposes um but also we work with them on things like there's been a few cyclists unfortunately killed in the area over the last year or so and across London and often it's tipper trucks that are involved. We have a lot of construction here, the construction trucks that were involved were not actually for this area, but we try to work with them to continue their safety training, awareness and to highlight difficult junctions and we know that other BIDs will be doing that so hopefully we'll cover a lot of London that way. So it can be big strategic stuff but also ad hoc things like the cycle safety.

*49. I: Safety is a theme that not just Victoria does but I think everyone does. I didn't know myself that Victoria had such a bad reputation for being unsafe- why is safety such a big priority for BIDs? In terms of the crime rate for London it's not exponential but sometimes reading the BIDs websites you could think you are in danger, they're very focused on safety.*

50. **P:** Well fear of crime is higher than reported crime so what we're dealing with is fear of crime because we're trying to make our area attractive so we're dealing with the psychological- we're dealing with the perception of the area as much as the actual criminal activity. The numbers of met police have plummeted in our area for two reasons: for one budgets, but also because a lot of people have been moved to what is called the west end impact zone. You will now see dozens - it sounds like an exaggeration - dozens of police officers if you're in the West End, particularly at night, which is absolutely fine if that's the operational priority but it does leave other parts of London sometimes feeling quite isolated and there isn't much coverage so we work on that issue but also we have close proximity to Westminster, we're a major transport hub, we have 5 oil companies, we have a lot of businesses who are very concerned with security of their buildings and of their staff and also business continuity if there was an

incident so as much as we look at on street patrolling and visibility we don't want everyone to think we're suddenly overawing the place with security guards because it's a dangerous place to be, we're trying to cause the opposite affect and talk to security facilities and businesses about what to do if there is an incident and obviously the threat level went up about five months ago and they all called us to ask what do we do now, what does this mean, what do we change. We also have security training on what to do if a member of staff has gone on a very extended holiday because a lot of people who have gone to be a freedom fighter worked at very respectable London offices you know how could they be aware that that is happening and the risks that are facing them are becoming- unfortunately that is the sort of thing facilities directors now need to know about and HR directors. Incidents that aren't even terror related - business continuity, what do you if your office is out. The major ones will have a plan, but not everyone else. So that's what we're working on, we don't have those plans in place yet but we want to get more strategic.

*51. I: Do you work with the police on that or do you work with the police on other sorts of projects?*

52. **P:** Yes, we work really closely with the police. They're very supportive of the bid and we were the first bid to have a police officer seconded to us. So for almost the whole first term we had a police sergeant working here in the office, unfortunately their numbers are so stretched out they won't let us do that anymore. But we still work very close with them, we have fortnightly meetings with the police and outreach teams on rough sleeping, we work closely with the PCSOs, we have a shared radio scheme so we can actually just radio the police and they will just come out and they will answer our businesses because we have 300 of these radios. We also have the british transport police here, so two police forces, and they're also great. So even though we don't have a lot of policing here, they are really supportive of the BID. I think they know we're trying to help them so they're supportive of our security team. We're getting a new security team later this month and they're going to come out and help train them.

*53. I: Are the security separate from the ambassadors? Are they office security or on the streets?*

54. **P:** On the street security.

55. *I: In addition to the ambassadors?*

56. **P:** Yes, and the cleaning team

57. *I: I want to ask about the ambassadors. Were they more for security or tourism?*

58. **P:** they've very much for tourism. They also do environmental reporting, so they'll report graffiti or broken pavements to TFL and Westminster Council

59. *I: They use an app to do that?*

60. **P:** They do and we have one key ambassador who looks after that, but the others will report things as well. So they have the ability to report security issues if they think 'that guy comes here every day he's really annoying'. They're advised not to take pictures, they're not trained to be in confrontation and we don't want them in that role- they're a welcoming group. But we do have the ability to report things if and when they come up.

61. *I: And you have a purpose designed security team as well- are they patrolling the district?*

62. **P:** Yes, the ambassadors also have a marketing role. So they will be told information about the latest restaurant openings, the latest shows and the idea is if someone comes into Victoria station and says 'I want to see a show' we don't automatically point them to Shaftsbury Avenue- we will tell them about SA but we'll also say have you seen Billy Eliot, have you seen Wicked?

63. *I: And do you recruit the ambassadors in house or do you use an external agency to recruit and train them?*

64. **P:** We have an external supplier who are excellent and they did a pilot with Victoria when they first started out and now they are used by everyone else.

65. *I: What are they called?*

66. **P:** The Welcome People- two guys who worked in a BID and they couldn't find this service that they wanted and then they started this and now they're beyond London and the UK- They report so they're accountable. You know exactly what time they got in, you know who they spoke to, they've done a profile of everyone they've dealt with- we

get so much data about who comes through Victoria station rather than they just exist there. It's a really good company.

*67. I: And they train them and they take care of everything*

68. P: Yes they run some of the best customer service training- other businesses now use their training.

*69. I: The problems they're dealing with- is it mostly rough sleeping as mentioned earlier or is more tourism and asking questions? And they report environmental issues -but what are the problems?*

70. P: We have a security team- we're not- the security team are not going around waking people up at 3am. We're trying to have a presence, a friendly presence so that we work closely with the outreach teams to show that this is not- this can't be your first choice to bed down here anymore, Victoria is not that way anymore, and everyone in Westminster to have their own bed every night. So we- there's a lot of incentives to go inside, there's a lot of help, but we also need to have a bit of- so in the mornings the security team will wake people up and try and move them on before Victoria really opens for business. The cleaning team will go along with the security team and clean out any areas where there is cardboard and brush down any problem spots.

*71. I: Do you operate any CCTV yourselves as a BID or is it the businesses?*

72. P: We don't have our own CCTV. We took part in a survey this year that showed this part of London is one of the most CCTV covered places in the world so we're kind of covered but we don't have control over what's been seen or who's watching it - no one can be watching all of it. So one of the things on our list is to look at potentially rationalisation, potentially there's too much. But if it's in the right places who's it reviewed by, how long's it kept for, do our security and police and have access if they need it? That's on our long list for this period.

*73. I: You talked about Victoria being a transport hub, but how do you use the history and culture or identity of your district to help your businesses or produce any brands?*

74. P: That's a very good question. I got very excited when I came here thinking that's exactly what we should do and that this place should be full of history and I read our history and Victoria was a marsh. It wasn't a hunting ground for the king, it was a



marsh, and then a kind of road, it had a canal, it had the station, and then it had the government offices. That's a very pattered histoe. There are pockets of exciting stuff but it's not a gift, there's not a big bag of juicy things that you can dip into right here- Shakespeare didn't have any plays here, so yes I would love to so that and one of the few things that is kind of interesting but hard to translate into 2015 is that apparently a huge percentage of the children who were evacuated from London went through Victoria station and there's lots of pictures of that so we could do an exhibition, but we do think about it but also we're trying to make this future place and unless we have something really juicy that we could modernise, it's a bit tricky. I really admire other BIDs that do that, I'm a bit jealous.

*75. I: Do you communicate with the other BIDs? On specific projects or just general updates?*

**76. P:** It tends to be less about individual projects unless someone has had a terrible experience and wants to warn us or has had an amazing experience and wants to show off. Mostly we communicate on issues affecting all of us and this is what we want to change. So we communicate mostly on London wide issues. So we talk about the high street fund, where there is legislation affecting BIDs- we talk about that- there's potentially new busking rules, we talk about that. It tends to be here's a London wide thing that's happening that we want to talk about or that we could make happen if we got together.

*77. I: Are these connections important?*

**78. P:** You could do it on your own if you were the first BID for example, you could do it - but it's much nicer and more helpful to share and also everyone goes through ballots at different times and ballots are extremely stressful so it's nice to have the moral support and the advice on big businesses. It's much better to talk.

*79. I: Is there any competition between BIDs at all?*

**80. P:** There is no official competition or above the parapet competition between BIDs. Everyone says their area is the best but all expect us to say that so no one gets upset. There is totally normal, human off the record competition which is healthy and to be encouraged in my book because it just makes us all better because we all want to be the

first one to do something- we all want to get the biggest grant from the mayor and so on. Everyone is competitive in a totally normal way.

*81. I: Do you use the footfall technology here?*

82. **P:** We have, until about 8 months ago we decided to pause the contract. We haven't decided to stop it but the numbers we were getting were really odd and hard to compare because half the retail has closed because of the construction. We will get a vibrancy report and start again after the construction.

*83. I: How would you respond to criticism that BIDs are not to be welcomed, that it's the private sector controlling or governing urban space which is public space or common space?*

84. **P:** I can see why people would think that as a resident you might think as a resident why should they get this money and decide where it goes and I don't get to. I don't feel like that sitting here because we are 79% businesses in this area, but if you were in a very mixed area I can see why that would be more tricky. Ideally you don't want to put a BID in a residential area. My own personal view is that businesses want to make money but what makes money is making the area attractive, not making it horrible. I would greet the suspicion as that, suspicion- but yes it is only democratic in the way that it's only businesses and not residents. Having said that, businesses pay business rates but can't vote on council elections.

## Appendix C: Transcript of interview with executive member of Neuer Wall BID/Otto Wulff, 23/06/16.

1. *I: How did Otto Wulff become involved in managing business improvement districts?*
2. **P:** By accident. There was a property owner in Neuer Wall that did a development of his property together with Otto Wulff as a construction company. We did the construction part of his development there and by that time the property owners in the city of Hamburg - together with the Chamber of Commerce - tried to figure out whether BIDs could be an idea for Hamburg. Then there was like a steering group formed by property owners of Neuer Wall with the city of Hamburg and the Chamber of Commerce and that steering group they discussed who could actually manage the project for the property owners because in Hamburg or in Germany in general the bids work like you have a so called *aufgabenträger* [project manager] - someone who contracts with the city, and in that contract we are we say we will do exactly what is defined in the BID program and for that you will give us the money from the property owners which you collect from the owners. And that role was completely new by that time, it was the first project in Germany, so nobody really knew who should do it. In Neuer Wall they wanted to do the construction of the street as a first measure but the money was collected during five years so you needed to find someone who could lend money to the project. The banks by that time said well yeah we could give you the money but someone needs to back us up because we don't accept the law as a security. They asked some planning offices, some engineering companies and all of them said no thanks, I won't lend you two million bucks. For us as a construction company it's pretty normal, this kind of situation is pretty normal. We said ok, it could be an idea, and by that time there was also Stefan Wulff, the owner of our company, quite new in his role as a boss, he was figuring out some new market fields so he came to the conclusion, together with a property owner, to try it. We work as a project manager. We build houses. We don't build streets. So we basically have no idea - we manage it. We bring the concept to the market, we try to find the cheapest and best solution for the property owners to do the construction of the streets. The first thing in all of the bids in the city centre was the construction. This was the first thing needed in the project. By the time Neuer Wall is in the third generation there is a need for other competencies, for other kinds of knowledge. I studied business, I have a master degree in business administration and I wrote my doctoral thesis on the founding process of BIDs because I came to the

project as a consultant. For 7 years I have worked for Otto Wulff and now I have a team of 4 full time city planners-

3. *I: - working just on BIDs?*
4. *P: - just on BIDs.*
5. *I: Does Otto Wulff centrally manage all BIDs or does each have its own management team to that is reporting to the company?*
6. *P: I have my team, each one is responsible for one or two projects, depending on the complexity and size. Since we do the project management and we actually only work with contractors we don't really have a management team based in the single bid. We just have a project responsible person that is responsible for the communication with the property owners and the tenants in the district and the communication with the city for that project. Then we have our contractors. We have people who do the cleaning, sidewalk wiping, security personnel, service personnel. We are the managers of the BIDs, we are the contractors with the city, we are the responsible team for bringing the measures in place and we contract people who actually do the work on the streets.*
7. *I: So you employ each district manager, you oversee all of them?*
8. *P: Yes. Our team is the district management in the project.*
9. *I: That differs from other cities, which do not have large companies managing many BIDS.*
10. *P: But you do have consultancies working with the BIDs during the founding phase of the project as part of the process. They work for various projects for specific periods of the projects.*
11. *I: By now do you have a lot of skills and knowledge that you use to transfer between the BIDs?*
12. *P: For me it's completely clear that we work for the city. For the city centre. It doesn't matter what customer visits one of our projects, they don't really care that they're walking around in a BID. For us it's very important, but for him he's spending his leisure time. He is walking around in all the city centre and we have to coordinate our measures in a way*

that he doesn't have the feeling that he is changing areas continuously because that is not really attractive. So one of our focuses is since all of the projects have a different kind of maturity, a different stage of the BID, one project is in the construction phase, another is in the planning phase, two others are very old and already in the third round of the management, marketing and communication period; we have to kind of reach the level where all the projects come to an end with the construction and redesign of public space and we really have to find a modus of cooperation between the projects to communicate together.

13. *I: What do you see as the purpose of BIDs in Hamburg? Is the focus solely on construction?*
14. **P:** It depends on the ability of the projects to raise funds, because here and in Germany the funding comes from the property owners, based on the calculation of the property taxes. We visited Newcastle last year and as far as I learned, the property situation is very different in the UK - you don't really have property taxes like we do here. You have the tenants paying for the funds. The tenants can't really finance infrastructural investments like we do here. And they have another target, the focus of the tenants is much shorter. They really have to change something during this summer or the next winter and the perspective of the property owners is much longer. They want to have a good market position during the next 10 years. So the question who is actually paying the bill defines the measures [i.e. the projects and purpose of a BID].
15. *I: So the structure of the funding and the legal structure does change the outlook and aims of BIDs here?*
16. **P:** Of course, a lot. For example, for us it's very complicated to explain to the property owners that they have to finance for marketing measures. They say this is not our responsibilities. The shops, the tenants, should finance their own marketing programmes. The problem is you have in all the big cities you have the same situation with voluntary marketing funding. There is, in my experience, you never find more than 30% paying for the party. It's much more efficient to collect the money with a BID and the BIDs in Hamburg, furthermore, have the possibility as a property owner to make tenants pay through increasing the rent. For example in the construction period the property owner can decide that I have a BID programme here, half of the funding goes to construction, one

third goes to Christmas lighting and another little part for the marketing and communication. What I will do is I will pay the construction myself, and the rest I will divide by the square metres of the property and the tenants will pay for it. This is what happens actually. There is a very deep understanding that we reached in Hamburg to finance any kind of measure that actually helps to raise the value of the property. It can be anything - it can be an infrastructural investment on the street, it can be Christmas lighting, it can be marketing measures. The important thing that we have to do is to only do investments that actually pay off. We found that it is more and more difficult when the construction period comes to an end. The easy part - you changed a lot with the redesign of the public space, it changes a lot, it's very obvious and everyone sees it. Everything you do afterwards, that's much harder. You can clean everyday and you can have three people in Neuer Wall constantly working on the quality of the public space, but no one really realises it. It's clean, everything is always in a very good condition but that becomes an expectation. It doesn't surprise anyone. To find this kind of surprise and additional value is very complication and you always have to determine whether a project, event or initiative but you never really know if it actually pays off. Our responsibility is to consult the property owners on what should be done with the budget, besides cleaning and maintenance. This is clear, if you bring a higher quality to the public space you have to invest more in maintenance. But besides that you have to be very careful in selecting what you do.

17. *I: What the context of Neuer Wall's establishment? What kind of actors were involved - local or external?*
18. *P:* It was an interesting mixture. In Neuer Wall at that time we had a lot of properties still owned by regional property owners. That has changed a lot during the last 10 years because of the investment market situation: we now have a lot of institutional property owners in the city centre, and a lot of developments that were sold to professional companies that own property as an investment. When the BID was established we had a lot of local property owners still in Neuer Wall and they were kind of concerned about two things at that time: Europa Passage, a very huge shopping centre in the city - 30,000 square metres - was built right next to Neuer Wall along with lots of advertisement for investment. They marketed that shopping centre as a luxury shopping centre. In the end it didn't become that but the situation by that time was like that. And the Jungfernstieg was about to be redesigned by public funding and private money. So Neuer Wall was concerned about



losing its market position and market share to Jungfernstieg and Europa Passage. On the other hand the situation in Neuer Wall was that there was a very good organisation of property owners. They had a club of property owners in Neuer Wall because there was a huge renovation in the street going on and they formed a group to manage that a little bit better for the street. You had kind of an institution to communicate with. And the Chamber of Commerce was very ambitious to import the BID idea to Germany at that time. The Chamber of Commerce supports those kinds of clubs of property owners or marketing organisations. They talked to around 3 people and by talking to 3 people they reached almost all the property owners in Neuer Wall and that was a very special situation in the city centre. It was easy to attract a group of property owners to follow the idea of forming a BID.

*19. I: How has the ownership structure of the district changed?*

20. **P:** It has changed a lot, but the advantage of the BID is that all the properties that were sold were sold with the BID. The investment and the costs of the project are already calculated in the rents and the prices. No one can really imagine to lose the kind of standard of service that we provide.

*21. I: Have the priorities of the BID changed?*

22. **P:** It has changed a lot. The retail market changed since BID formation enormously. We didn't have the competition of the internet 10 years ago in that market segment. Now no one has to leave their house to do shopping. You only attract people to spend leisure time, and that's really changed. And Neuer Wall itself changed. Initially only the middle part of the street - you can divide the district into 3 parts - only the middle part was really luxury. Now the middle one and the upper one or southern part offer really luxury stores. The lower part is now more like Mönckebergstraße [the central shopping street in Hamburg]. The frequencies are very high. In the southern part of the district the frequency doesn't really matter, we don't even count customers there, because sometimes if we have an international exhibition in Hamburg where many people from Asia come to Hamburg then suddenly all the jewellery stores in Neuer Wall are empty, they don't have watches anymore. You can't really count these kind of 'buying attacks'. The district has very special customers, so what we basically have to do in Neuer Wall is to provide a very safe, clean, well maintained public space. We have to help the traffic situation there because it's very

complicated as we have canals on both sides of the district so we can't deliver from behind the buildings, everything needs to be managed from the front, and this is where the customers are walking so it's very complicated to manage it and we have to help this situation and offer the possibility of doing nice shopping and we invest a lot in the Christmas lighting and celebrations in the holidays to give the district a very special feeling. You can see it in the pictures. We spend around 70% of our marketing budget in that month.

*23. I: What are the key problems - other than the traffic - facing this district?*

24. **P:** I wouldn't really talk about problems. Neuer Wall is still an investment of possibilities. If you have tenants like Gucci, D&G - everyone is there - people will come to Neuer Wall. For us it's important to maintain the standard and attract more and more international customers because Hamburg is more and more important on the international tourism map, but we still don't have direct connections to China, direct connections to the US, there are more international tourists in Frankfurt which is an ugly city in my opinion which is absurd, but we don't have direct flights that connects us internationally. And the public city marketing focuses on marketing Hamburg as a musical city but the musical visitors from Germany and maybe a little bit from Scandinavia spend a night at a Motel One, go out for dinner on Reepbahn and they leave again so they are not really the customer of Neuer Wall. This is kind of a gap that we have to fill. But that is for all the projects on the western city. Our neighbours on the left side of the map have the same kind of problem: we need to attract the high class tourists and customer to those streets.

*25. I: How much involvement do the businesses have in Neuer Wall in running the BID and influencing how it's managed?*

26. **P:** We have to actively attract them to work in the project and that's what we do. We have a steering group which is mainly dominated by property and also the heads of the marketing club of Neuer Wall is a member of the steering group. This is one part, but it is not the important part: we have formed our own little steering group with the tenants, the commercial tenants on the lower floors, we meet with them three times a year: before seasons, after seasons and in the summer. This group we invite all the tenants in Neuer Wall and usually around 40% follow our invitation and we have very active discussions about what to do with our marketing budget.

27. *I: The owners are happy to sit back and let you manage the BID for them?*
28. **P:** We have, to be honest, like a breakfast club and for 10 years the same four property owners came and we have a very intimate atmosphere, very familiar. All the institutional property owners which are new in Neuer Wall, they ask for information like that [points to brochures and annual reports] we have done annual reports for two years, and we do this especially for the institutional property owners because they have funds and they have to explain to their investors what the BID Neuer Wall does. This is addressed in the annual report, and from time to time I get a call from an asset manager or an asset manager comes to Hamburg and asks to meet, but it's very seldom.
29. *I: No one is unhappy or complaining?*
30. **P:** Until now no one is complaining.
31. *I: Other than the BIDs that you also manage, do you have working relationships with the Hamburg BIDs and the other Hamburg BID managers?*
32. **P:** We only have one neighbour [i.e. neighbouring BID] in the city centre and the cooperation is very deep. This is a construction company for streets and public spaces. We hired them to build Gänsemarkt. So we have a very good business relationship but, for me, the cooperation concerning the measures that we do in the BIDs could be much deeper. But this is not a question for them but the property owners and steering groups, they have complex groups to manage.
33. *I: Are there good working relationships in place between the BID and the local government?*
34. **P:** In general there is a very good working relationship but we see that in the second phase of the BIDs after the initial construction - that was very complicated in the beginning, that the private actor builds streets. That was very complicated at the beginning, but now we've proved that we can do it and that we're still working after 10 years so they are very confident and trusting in us now. But when it comes now to marketing measures and parties in public space and the use of public space for private activities - right now it's a bit more complicated. The BIDs are treated like someone who wants to sell sausage. This is not the case for us - but they have to treat everyone the same in approving a marketing

measure, or a part on the street, and if we want to offer food there the regulations are very strict and they treat us just as if we want to sell sausages but it's not the case, and we are not that kind of institution. This is something that we still have to learn together, that after the construction and renovation of public space undertaken by BIDs of course what follows is the management. Now we have to discuss with the city administration what kind of public management they will allow us over public spaces. I think that discussion is very important and we have to come to a conclusion there, but on the other hand, if we don't manage to find it quickly the property that actually finances the BID will get the idea that they are not allowed to do anything and they lose ambition and that would be very bad.

35. *I: Does the local government fund any specific projects run by the BID? Or perhaps offer match funding?*

36. *P:* I'm very critical of that topic. I think, first of all, BIDs in the form that we have them in Germany - based on property - don't depend on public money, and BIDs are not the measure to actually help areas that are in a deep crisis. A BID for me is not a measure to help, for example, a street in a very socially problematic area. A BID is not the measure to use. It's a public topic and it should be publicly solved. But when it comes to BIDs in the city centre of Hamburg and commercial areas I think property owners are not the people in this country that need public funding. I'm really convinced that it's good that we clearly separate the public investment from the private investment. We have some projects in Hamburg where the city invests at the same time in the public space as the BIDs do. For example street renovation, the city invests that they would build the standard in Hamburg which is very simply: a concrete surface on the sidewalks 50 x 50 cm stones, it's very simple and very basic - and the BID invests the additional quality in those cases. This happens, but it is not a co financing. It is not a co funding. The city would have done it, and we are offering additional quality.

37. *I: Generally, if you have a problem in your district, if you have an issue that falls under the remit of the local authority, do you find they listen to you and act upon your problems?*

38. *P:* Of course, but they treat us like anyone else. This is also very important because we are in the public discussion since the BIDs have become more and more - I wouldn't say powerful - but there is a lot of private spent on public space in the city centre. We currently manage more than 30 million euros on our projects which is mostly invested in the public

spaces. You more and more see the results of what BIDs do - you see the private personnel that clean the streets, you see the additional cleaning, you see the service workers coordinating the traffic, you more and more see it - and because of that we are a topic of public discussion also. There are critical voices that say we don't want to privatise the public space. So for us it's very important to have the discussion, and to have it publicly, to make people understand what we actually do.

39. *I: Is safety and security a big priority for Neuer Wall?*

40. *P:* Only perceived safety. When you have stores that sell handbags for 30,000 euros you feel better if some security personnel is on the street when you open and close your store. It doesn't really mean that otherwise something would happen. We don't really have security issues in the city centre of Hamburg. We are in a very close dialog with the police and public authorities; we meet twice a year to discuss the security situation in the city centre. We have very low criminal rates in the city centre so obviously security is not necessary. But we understand it as a kind of marketing. We have personnel on the street, people see it, people feel better, but it's not really necessary.

41. *I: Do you have any additional policing - public police?*

42. *P:* No. There was an idea to rent a cop at the beginning of the project, but it was not a good idea to have this because that means that rich people can buy security from the state and that is not something that we want in our society. We have a complicated security situation on the weekends, especially on Jungfernstieg, of course more police are there, but it has nothing to do with BIDs.

43. *I: Did you say earlier in a previous answer that you have three members of the staff members in the BID most of the time?*

44. *P:* I have three people working on the street from a company that we hired to do the services: cleaning, two of them are security - or we call it coordination of traffic because security is not the topic and those three people are constantly there during the opening hours of the stores. We have a district manager who is our ears and eyes in the district, also from the same company, and we are in very close communication. They communicate with tenants and distribute invitations for meetings, we're in a very close dialog.

45. *I: But do they encounter problems? What are the kind of issues they are generally reporting to you?*
46. *P:* Someone is parking on the sidewalk.
47. *I: So parking is their most encountered problem?*
48. *P:* Yes. We have no parking in Neuer Wall and you have a lot of cars, and you have the tenants who are selling handbags for 30,000 euros who have posh cars stopping right outside of the shop. We don't allow them to do this so there is a conflict. We want to have to keep the sidewalks free so that people can window shop without going around cars and on the other hand we have the posh cars that want to stop right outside the shop, so this is the constant conflict. But we have an understanding with the stores and they support us - they understand that if the sidewalks are free and nice and clean people come. If there is a car park in the middle people change the side of the road and don't walk by their store. So it's very easy to explain.
49. *I: Do the staff on the street have any technology to report the problems to you?*
50. *P:* We actually write on paper and we put tickets on cars to inform the person that we have reported the issue to the police and they have to pay a fine for parking on the sidewalk. We have statistics that we evaluate from that and they have mobile phones and they have radio.
51. *I: How do you see the evolution of the branding and marketing happening in Neuer Wall?*
52. *P:* Right now we are working very strongly on that topic, and not only for Neuer Wall. We're working on it for all the projects that we manage and we try to find a rooftop for all the single projects. We want to add value to the brand of all our projects and to the city centre of Hamburg in general. There is still a lot of communication to do because we have so many people working on it: Hamburg City Marketing- a public funded company that also privately funded by musical companies; Hamburg Tourism - which is also publicly funded and partly funded by the hospitality industry; and we have the city management, which is a voluntary organisation; and we have the BIDs. We have many institutions and we try to attract the high value customer internationally to come to Hamburg. We are currently working on measures to provoke that and our normal BID measures like the



celebration of the seasons to prepare all of that stuff. But the next step will be to really find a coordinated marketing strategy for our high value areas of the city.

53. *I: So is there anyone coordinating these actors working on the branding?*

54. *P:* Yes but not in a way that is good for all the different parts in the city centre. So the focus of the marketing is on the high streets and on the big department stores and these are not necessarily the customers that come to the western part of the city and buy those handbags. This is what I mean when I say I want to add value to the brand of Hamburg: I want a message for this kind of customers.

55. *I: You mentioned earlier the criticism that BIDs attract and private money used to govern public spaces. Was this opposition strong in Hamburg?*

56. *P:* It was only strong in the academic field and from some political parties. It was used to place messages, it was more instrumentalized. I think it's very clear that the level of public services we receive here in Germany is basic but sufficient and it's very easy to see what we do additionally. For example the public cleaning: the city only has machines that are like a vacuum cleaner, but if you have dirt on the sidewalks like a bowl of ice cream that crashes on the ground, or chewing gum, they don't move it away because you don't fall over it. This is where we come in: we really clean additionally. This differentiation you can find for any kind of measure we do. So I think the discussion was more instrumentalized, it was not really in public, everyone who comes to this district doesn't really know that there is something completely different. They only see that it's nice and this is actually what we want to achieve.

57. *I: Do you think that the rest of Germany will introduce BID legislation?*

58. *P:* We have legislation in 6 or 7 federal states in Germany but they didn't really manage to found BIDs in a large number, and not comparable to Hamburg. I see several reasons for that: most importantly BIDs are approached in many parts of Germany in the wrong areas. I always say to find a very nice district with very nice stores and make a very nice project there to start off. They however pick very complicated areas with very difficult situations and very little money to found a project with success. This is the wrong approach that I see and we have the projects that spend money on measures previously carried out with public money: this is not something a property owner understands and asks why I should pay for

something that was publicly funded yesterday. We have a very different approach in Hamburg and I'm constantly fighting against public support for BIDs because I think it's a killer.

59. *I: But for now you would say that there is not strong political opposition to BIDs in Hamburg?*

60. *P:* No because what we did is simply nice. We don't only do the redesign but because of redesign we work in line with the new laws for public space design: cycle lanes, accessible crossing, and this is very modern and good for the public.

## Appendix D: Transcript of interview with Hamburg City Commissioner of BIDs, 23/06/16.

1. *I: Can you give me a context of the BID policy in Hamburg and how the policy migrated here from the US?*
2. *P:* It migrated around 2003. There were people from the Chamber of Commerce who believed it was a good way to help the city centres and downtowns of smaller towns, and to help themselves. It was never a political issue and in 2003 the mayor said let's take this idea and check out if it works for Hamburg, if it works for the German legal system and to look at whether it could be a good thing for Hamburg. We built a task group and within a year we found out it could work out in our legal system and it would be a good idea to try it out in Hamburg. After one year, at the end of 2004, we had the law in place in Hamburg. The law started in 2005. The idea was to give the projects in the city centres to do more than they did before because they always wanted the city to help them and there were a lot of measures the city would not do but which businesses believed were necessary - such as Christmas lights, marketing and so on. If you have a chance to raise more money then this might help the city centre and it might help the whole city. So it was always the idea how we could strengthen the city as well. We looked to each project - sometimes very small - but the idea was it would be good for the city and the people who live in the city
3. *I: Were the politicians enthusiastic about the idea at the time?*
4. *P:* The mayor was, and actually I think every party was. There was no party at that time that was against it. There was the FDP - the Liberals - they thought another tax was not good, it doesn't fit with their political beliefs. But they all said it was a good idea to try, and different projects were started by different parties. Nowadays there's one political party that believes the state should do these services and it's the public's role to strengthen the downtown area, not the private sector.
5. *I: What does the city believe the purpose of a BID is, and has that changed since the policy was created?*

6. **P:** We didn't expect that the BIDs would rebuild open public spaces. We expected more management and marketing, but the budgets went up so high and this was a big surprise. They nearly redesigned the whole city centre of Hamburg. The city supports these projects very well.
7. **I:** *Were there any key actors or individuals who were responsible for the creation of the BID policy in Hamburg?*
8. **P:** There was the Chamber of Commerce. They always promoted the idea. The associations of property owners helped us also. It was important that the city administration contained people who thought the BID idea was very good. For example the one who wrote the law - it was also my task - and I liked the idea because I knew it already from Toronto. Importantly, we had two projects that started and two others wanted to start and they were property owners and retailers and said we need this - it doesn't matter if there is a new tax - we want this because it is the best thing that can happen to us. So from all people who were related to this idea had a positive announcement to this idea. It was a whole city initiative.
9. **I:** *What does the city believe the benefits BIDs bring to Hamburg?*
10. **P:** Quite a lot. If you look at the city centre the projects are in the interest of the BIDs but its' also in the interest for all people who visit Hamburg, live in Hamburg, they get a nice environment. And they invest. That's very important. The total investment at the moment is 55 million euros. Around half goes into open public spaces. The city would never have invested such a large sum. This investment brings new jobs, further investment. If you look at Neuer Wall for example after the first BID finished and after the redesign of the public space finished many property owners decided to invest in their properties. Actually the 3 million they spent in redesigning and the 2 and a half million in management a- 5 in total - created much more investment and much higher investment in the properties in the district. That was really important for the whole city. That also means jobs, more taxes and everything. This is the financial benefit. But what I think is still very important is that they build little communities, they know each other. They talk about their problems. They help themselves, you get networks

all over these places and we're trying from the city to bring these projects together to make bigger networks so that they don't always ask the city to help, they do it by themselves. This is very very important for the development of the city. The last thing is that we now have property owners who are interested and involved in the development of the city. Before they were just saying something and now they are doing something.

11. *I: The BID mechanism enables and encourages this?*

12. **P:** Yes.

13. *I: Ok, how closely does the city and your team work with the BIDs?*

14. **P:** Very close. Actually the team is small, just two. We're managing and solving problems, so if there are problems between the property owners in one project or between two projects and the city or problems between city departments related to the bids we're working, changing the law, and working with the city administration across departments. We work together.

15. *I: Do you work together just on specific projects or do you regularly meet?*

16. **P:** We go to all meetings on projects with BIDs. We provide advice and help if they have questions, we are always there for them. We try to, if they have special interests and doing lobby work, we try to help them, and the other way around: if the city has messages for the BIDs it's our work to say yes or no. So we're kind of in between.

17. *I: Do the BIDs regularly bring concerns that they have to the city? And are you usually able to resolve them?*

18. **P:** Yes they have a lot of concerns, and they a lot more work than we can allow. We have to watch out that we deal with all projects, whether they're a BID or not, in the same way. The BIDs always say that we pay a lot of money in public space and we do a lot and we want to be treated better than everyone else, but that's not possible, we have to treat them all the same. But actually of course they get better treatment because we are always next to them in the steering groups, and in every district there is somebody for them to talk to. Actually they should be treated better. We try to help them, they have good ideas, and sometimes we try out some new things - for example the UPS delivery project in

Neuer Wall. Neuer Wall has a problem in that there are canals on both sides but deliveries are needed in the streets. The street is quite narrow and is for pedestrians and customers. There are many delivery trucks from about 10 companies and sometimes you find 3 or 4 trucks of the same company in the street. We don't want this and don't want to see trucks. So they held a meeting with all the delivery companies and asked them for ideas to solve the problem. In the end they solved it by putting a container nearby and from there they do it by foot or by bicycle to reduce traffic. The BID did this, and the city said after two years that this is a very good idea and we will try to do this for the whole city centre and see if it works. We asked the university to analyse it and after two years decide what to do. This project is interesting and logistics sector and UPS now has a manager that is doing only this and they are starting it in other German cities and beyond. And its started here. So if the BIDs have good ideas we try to take them and make them bigger or put them in a law for the whole city to work out.

19. *I: You say that BIDs are treated the same as everyone else, is that a legal requirement? Is there any evolution envisioned? Are BIDs perhaps going to be given a more specific relationship to the city rather than being treated like any other actor?*
20. **P:** We should treat them better, much better. We already treat them a bit better as I told you. If we treat them much better than others just because they pay they get better treatment then it would cause us many political problems. Some parties would say its not good, if only those people who pay decide how the city develops, that's not good. There are many important other actors in the city, they don't need a business improvement district but they need attention so we are trying to treat them all the same.
21. *I: Do you have any policies or frameworks to monitor BIDs and ensure they are acting properly and legally?*
22. **P:** Not really. Once a year we check the past year, how they spent their money, and we do this I think quite well. We also check if there's 5 euros missing or something like that. We will do it now professionally. We are changing the law



right now and one point of change will be that in the next years there comes a professional and checks the books. We will check they reach their purposes. We monitor them while they are working in the year because we are sitting in the steering groups, so for example we have in the city centre a BID and they put out some flower walls and they didn't do it in the whole BID, they did it just in one part, so we told them that's not possible, you have to do it in all parts because everybody pays the fee. So we do it daily and once a year. What we don't have is a means to monitor if they are successful. We are always waiting for somebody writing a master's thesis or doctoral thesis to give us some measures of how the BIDs impact the city and are successful. We usually just say that if they successfully renew after 5 years they were successful.

23. *I: But what does the city consider as a successful BID other than renewal?*

24. **P:** Renewal is the easiest. But if they vote about the BID a second time around, has the support increased in the voting? I think it's a success if opposition decreases each time. But that's not good. We are trying to find out how we can measure success. Newcastle has a very big BID and somebody who is very good at numbers. They have many small ideas on how to measure success, and we have to learn from them and others how to measure it. For example if there are more people going through Neuer Wall, if you find social networks that would be for marketing, perhaps you count shopping bags from the shops because the shops don't tell you if their income has increased. There are some possibilities but it's not so easy. For example Newcastle built a new marina and they said that this marina gets visited by 200 ships a year, these ships didn't come before, and each ship has 4 persons, that makes 800 persons a year, everybody spends 1000 euros so that's what they earned from this measure.

25. *I: But you don't have any calculative measures like this at the moment?*

26. **P:** No, the projects do but the city doesn't

27. *I: Have you had any problems with the BIDs either in your relationship with them or specific things that the city has a problem with?*

28. **P:** Actually it works quite well. We have small problems, mostly project related. What we have now after some years the BID opposition gets in the newspaper,

it's still a very small group, and they said in the beginning it's one BID and I will pay, but now with the second and third they say they don't want it. They have different reasons and they work against it.

29. *I: There are no problems between the city and the BID except for this external problem of dissenting property owners?*

30. *P:* Yes it's an outside problem. They are also part of the BID because they have to pay, but it's kind of outside.

31. *I:* Can you give me an idea of what BID issues you might deal with on a normal day? Problems or things that you regularly deal with?

32. *P:* Today is untypical. It's of course managing, so I start with emails and telephone calls to different projects with questions. Property owners have questions that I answer. My senator wants to know something because next week there's a BID going to senate to be voted on. The senate will vote so they have questions. This is the kind of management work. Now I'm talking to you and doing this in the afternoon again, then I'm meeting a lawyer who wants some information about BIDs because he is a lawyer working for BIDs and interested in giving property owners advice. Then a steering group meeting for a very important project in the city centre. After that I'm meeting again with someone who is writing a doctoral thesis about BIDs. Today is a bit untypical but this this is the main work - a lot of telephone, talking, sitting in steering groups.

33. *I: How is the political climate within the city now towards BIDs?*

34. *P:* Last year was the 10 year anniversary of BIDs in Hamburg and we had a party in the town hall and invited all BID property owners, managers, architects and some administration staff. The politicians were there as well. We had the local politicians who support BIDs and the city politicians. The climate hasn't changed.

35. *I: Why do you think some of the other German federal states have not introduced BID legislation?*

36. *P:* In the beginning it was what somebody called the poorest states starting with it. The West started before the East but I think it works very well in the East

because you don't find that you have property owners located all over the world so you can't do projects because they don't know where the property owner lives. I think it's easier in city states like Hamburg because the treatment of the administration is easier. If you have a bigger state you have many cities and they have many BIDs. The administration doesn't have people that do nothing else other than BID work: they do it in addition to their normal work. We have the perfect infrastructure in Hamburg for BIDs. The knowledge, the problems, how to solve the problems, that's easier in the city states. Then we have some cities in Germany like Hamburg that were never ruled by emperors or kings, they were always ruled by the people. Maybe this history is still in the heads of the people of Hamburg and they are acting like this. In Munich there was always a king and they learned over 100 years it comes from the top down and not from themselves. Maybe that is a difference that explains why, I don't know.

37. *I: Has there been local criticism to the BID model in Hamburg?*

38. *P:* Yes. There have been some projects, not so much in the city centre but more in the smaller downtown areas around the city centre. These are smaller areas and the people know each other for a long time and they take opposition the BIDs and it gets personal. That's one issue. The other one is that it's also easier to be successful if you rebuild something and you clearly see the rents increase. That doesn't work out so fast in the smaller areas of the city centre - if you have a rent of 20 euros per square metre it takes longer to increase to 25. Here in the centre it jumps from 100 to 150 per square metre, that's a big difference. The tax for the BID is 50 cents per square metre or something, so they can really feel the success of the rising rents. In the smaller parts it takes longer to see the benefits. Also in the city centre BIDs you have a few property owners who are private persons. We need those as they always come to the steering groups, but the rest are professional funds - banks and institutional investors - and they think without emotion, only in terms of profit. But in the smaller BIDs outside the city centre it's individual property owners and it's personal and they oppose each other. That makes it difficult.

39. *I: Has there been any criticism about private organisations governing public space?*

40. **P:** No. Sometimes from political parties. If we go to discuss BIDs at conventions it comes from planners and designers because they are used to taking action, they don't want to react, they want to build cities and if there is somebody new they say they are not sure about it. It comes a lot from students and the academic scene, they say that it's a problem.

41. *I: But are there protests?*

42. **P:** No. Right now we are on a privately owned public space, it's owned by that hotel. So as long as you can do what you like and here you can find sometimes musicians and beggars, it's ok. It's the same in Neuer Wall, it's not a shopping centre, it's a BID.

43. *I: And how about the private security - has there been any local opposition or criticism to the use of private security guards in public spaces?*

44. **P:** There were always local security guards before BIDs. If you go to Neuer Wall the stores have security guards, and some neighbourhoods have guards at night. It's always public space and the police has to decide. The guards have never done anything that they are not permitted to do. There was a group of students from HafenCity University that tried to test them out. They came to the district and tried to sing, make noise, and wanted to see if they were sent away - and they were not. It was all young women, perhaps there would be a difference with another group that would be more aggressive. But I don't think so. You always see beggars. We always told the BIDs to help the people and not send them away. Just help them.

45. *I: How do you see the evolution of the BID model? Does it have a life span? Are BIDs going to be in Hamburg in 20 years time?*

46. **P:** I hope so. I think in the city centre it could be there. But I don't know about outside the city centre. But in the city centre with all the professional property owners and the success they have I think we will very good management over the next 20 years if we don't get any problems with the law. Then there will be

the smaller areas outside of the city centre, it might work, we will see, but I'm not sure about that.

47. *I: Are there improvements that can be made in the BID model and the legal framework?*

48. Yes there are some problems with the tax. We do it on the basis of the property tax and it's not very easy, we're looking for a new model. We have big problems with properties for living, we get more and more in the city centre. They have to pay and they don't profit from it, and sometimes their interest is against the BID - the BID wants events and the resident wants quiet. So we need to make small changes and make it a bit better when we find out somethings not working. The steering group should also be in the law. We first decided not to put it in the law but I think it's a good idea to have a well organised steering group and the law says there has to be someone from the city, the retailers and the other important people in the district. Then the steering group can decide more. We make plans for the next 5 years, but we don't know what happens in the last 2. The situation might have changed, they might want to do something different and the plan might have to change. It would be easy to do so if the steering group was in the BID law and was allowed to change the plan. There I think we have some space to get better.

49. *I: Do you have many BID colleagues in Germany and the rest of the world?*

50. *P:* Yes we meet once a year in Germany and usually we always invite others from America, South Africa, Albania - the Americans are helping Albania introduce BIDs. This time is Newcastle again. I think it is very important to have good contacts. It's interesting to get close to some key people. In Newcastle we're trying to get a close connection. We have a connection in New York, I can always contact him. I have contacts in Germany. I would prefer more. We're not always looking at BIDs, we're also looking at other cities to learn from what they're doing more generally. We're thinking of travelling to Asia to learn how they do marketing, management of city centres.

51. *I: Do you have relationships with BIDs to deliver a marketing campaign for the city?*

52. **P:** Not yet. The idea is good.