The New Mega-Projects: 
Genesis and Impacts

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Abstract

Critiques of urban renewal and large-scale developments were prominent in the period 1960–80. In particular, they emphasized the negative environmental and social consequences of these schemes and especially attacked them for displacing low-income and ethnically different populations. In the 1980s and 1990s, we saw a decline in such projects in many places, responding to popular protest and intellectual dissent, along with a new emphasis on preservation. More recently, however, we see the revival of mega-projects, often connected with tourism and sports development and incorporating the designs of world-famous architects. Frequently these are on landfill or abandoned industrial sites. The symposium for which this is an introduction shows the growing convergence of North American and European projects. This convergence is visible in their physical form, their financing, and in the role played by the state in a world marked by neoliberalism. At the same time, the new projects do display a greater environmental sensitivity and commitment to urbanity than the modernist schemes of an earlier epoch.

During the postwar period, the Fordist state in the developed countries engaged in massive projects aimed at reconstructing cities that had either been damaged by war or suffered from out-migration and obsolescence. These efforts created a modern urban environment of expressways and large buildings intended to make cities operate more efficiently, attract investment capital and get rid of substandard housing. Influenced by the international style then dominant in architecture, the designers of the postwar metropolis produced a cityscape sarcastically described by Jacobs (1961: 25) as the ‘radiant garden city beautiful’. Criticisms from the left condemned the schemes as reflecting authoritarianism (Scott, 1998), displacing millions of households, destroying communities and generally resulting in a regressive distribution of benefits (Castells, 1978; Fainstein et al., 1986; Gans, 1991; Harloe, 1995; Hall 2002; Logan and Molotch, 2007). Critics on the right argued that they represented unwarranted governmental intervention in the market and the unjustifiable taking of private property (Anderson, 1964). Arguments against large-scale redevelopment efforts became effective when they were taken up by protest movements, which opposed the disruption of their neighborhoods, and by preservationists who regarded the modernist structures rising on cleared land as assaults on the city of collective memory.
The urban movements of the 1960s and 1970s, along with fiscal constraints on governments and the move toward decentralization and small government associated with neoliberalism, led to a pause (although by no means a halt) in large, ambitious projects (Altshuler and Luberoff, 2003). In the present millennium, however, we are seeing hosts of new mega-projects around the world. In the developed countries they typically differ from their predecessors in that they minimize displacement through being located on obsolete industrial and port lands rather than intruding into residential areas. Recent European examples like the Bilbao Guggenheim Museum and the area surrounding it, located in the old industrial district of Abandoibarra, confirm this trend (Del Cerro, 2007). Consequently they do not stimulate the resistance engendered by earlier slum clearance efforts. In parts of the developing world (Lungo, 2002; Shatkin, 2008), however, especially in China (Centre on Housing Rights and Evictions, 2007: 68), they involve the kinds of massive uprooting that occurred in the United States, and to a lesser extent, in Europe, during the Fordist era.

Characterizing the new mega-projects

The term mega-project is nowadays most often taken to refer to two major types of scheme — on the one hand, one based on the construction of a huge edifice with strong symbolic significance (e.g. certain flagship museums; see Hamnett and Shoval, 2003); and on the other, a larger scheme with complex contents (mixed residential uses, service industries, shared facilities, new transport facilities, etc.). In this symposium we intend the term ‘new’ to have a neutral meaning — i.e. recent — and do not assume that contemporary projects are necessarily different in aims and consequences from previous ones. Rather, these case studies respond to the perception that there has been a recent wave of large schemes within major cities. The purpose of the investigations is to reveal the character of these projects and determine the extent to which they represent a changed approach from those that preceded them.

As noted above, these projects tend to be in locations which, as a consequence of urban restructuring, have lost their previous uses but have potential to be once again profitable within the post-Fordist urban economy (Rodríguez et al., 2001: 417). They are generally developed within the context of public-private partnerships, are frequently mixed-use, and cater to the needs of office-based businesses and tourism and leisure services. The introduction of new methods of financing, with greater collaboration between the public and private sectors, is an important distinctive element.

In this context it is important to analyze the role played by the state. Brenner and Theodore (2004) suggest that the neoliberal national state favors the creation of the necessary framework (legal, political, economic, etc.) to facilitate and encourage big urban projects at the same time as promoting new, decentralized forms of governance and market-led development. According to Brenner (2004), the state at various levels acts to facilitate private sector activity rather than itself acting as developer. Whether or not we can regard this as a general rule, however, is open to debate, given that, as can be seen

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1 Erik Swyngedouw et al. (2004) analyze large-scale European urban development projects in the context of neoliberal urban policies.

2 The Centre on Housing Rights and Evictions (COHRE, 2008) predicted that when the Olympic Games started in Beijing in August 2008, one and a half million people would have been forcibly removed from their dwellings. According to the same source, for the 1988 Seoul Olympic Games the number of people obliged to leave their homes reached 720,000.

3 The new mega-projects have not meant the disappearance of the old kind of big infrastructure constructions (electricity generating plants, dams and reservoirs, river diversions, etc.), which are also profoundly linked to urban development, albeit from another viewpoint. These, together with express highways, high-speed trains and tunnels through natural barriers to connect urban areas (Naredo, 2006) have been significant components of the current territorial development model.
in several of the articles in this symposium, the state’s role is so different from one case to another that to ascribe a fixed nature to it is problematic. In any event, it seems clear that the recent planning agenda is oriented towards growth and competition rather than the removal of slums and blight (Swyngedouw *et al.*, 2004) and the commodification of culture has become a fundamental factor of urban appeal for the construction of an identity that can be marketed (Hoffman *et al.*, 2003).

Depending on the type of operation, the new generation of mega-projects can be included in one or more of the following categories:

- Regeneration of waterfronts
- Recovery of old manufacturing and warehouse zones
- Construction of new transport infrastructures or the extension of existing ones
- Renovation of historic city districts, usually to meet the special consumer demands of middle- and upper-class sectors (Zukin, 1998; Lourés, 2001).

In all cases, it is essential to have widespread social and political support, or at least indifference, for these grand schemes to prosper. Their magnitude and consequent effect on large areas of the city, their enormous economic cost and their massive environmental impact could create civic mistrust. Nevertheless, as indicated above, movements against these kinds of operation, although not wholly absent (Díaz Orueta, 2007), are not as intense as those of decades ago. In many cases, as suggested by Lehrer and Laidley in their article in this issue, the project is successfully marketed as promoting economic development from which all will benefit. The extent to which public funds are diverted from schemes that might more greatly benefit most people is obscured, and since relatively few people are directly injured, it is difficult to mobilize opposition. This is particularly the case when subsidies to developers are provided off-budget in the form of tax forgiveness.

This symposium does not consider the mega-projects of East Asia, Latin America and the Middle East (see inter alia, Lourés, 1997; Duhau, 2001; Lungo, 2002; Shatkin, 2008). In those areas as well, renewal of central districts, transformation of old industrial and port zones, and new urban transport facilities have become regular components of the most recent urban agenda. However, while many of these projects physically resemble those in developed countries, their political and economic contexts are radically different. The cases examined here occur in democratic polities with a history of controversy over development programs. Even the most prosperous of them suffered population loss and economic decline in the not too distant past, and their governing bodies regard mega-projects as a means of confronting the threat of global competition. In contrast, for places like Shanghai and Dubai giant construction schemes are seen to symbolize their rise to power rather than being regarded as defensive actions. Thus, these cases in other parts of the world should be considered specifically, and investigations of them need to reveal whether the concepts and models generated within North America and Europe are appropriate. The research questions need to be reformulated according to the different nature of urban processes elsewhere: What are the specific forms of collaboration between the public and the private sectors and what is the role played by foreign investment? What forms of local action exist in contexts where the state is weak and does not assume the leadership of these projects? Or, quite the opposite, what instruments are available to local communities when the state, as in China or Singapore, is a hegemonic actor? Analyzing all these factors, including the different meaning of urban planning practice, will become crucial for urban research in the course of coming years.

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4 In both the current and former cases, urban complexes include residential developments and, to a greater or lesser degree, office buildings, hotels, shopping malls, convention centers, museums, etc.
Symposium content

This forum addresses the question of how much the new projects resemble earlier ones, the processes by which they are instituted, their impact on city form, and the distribution of benefits arising from them. Given the changing demographics and restructured economic bases of many cities in the current era, we expect to find spatial restructuring. To the extent that this restructuring is guided by deliberate planning and takes the form of massive projects built in a short period of time, we would like to know if planners have learned from past experience and absorbed the arguments of their critics. Is there greater eliciting of local knowledge, more commitment to affordable housing, enhanced sensitivity to good design than in the past? Or are we seeing the same old top-down planning for the benefit of developers and business interests? Do all the projects adhere to the same model or are there significant differences among them, depending on the government’s degree of social commitment or the country’s level of development?

Three of the symposium articles (by Lehrer and Laidley, Fainstein, and Haila) focus on mega-projects promoted in cities in Canada, the USA and Western Europe. The fourth, by Bezmez, analyzes the city of Istanbul, an extremely interesting example, showing the difficulties encountered in trying to carry out a global restructuring of the Golden Horn. All the articles concern ‘new generation’ mega-projects, involving not just an extensive variety of uses but also, one way or another, new methods of marketing and financing and, except in Istanbul, new forms of public-private sector collaboration.

In addressing the issues raised above, the articles indicate that the dominant discourse in the American and Western European cases links the goal of economic revitalization to the promotion of social and environmental objectives. Rhetorically at least, there is a greater sensitivity to such concerns than in the earlier generation of projects. This approach is clearly apparent in the schemes analyzed by Fainstein (2008, this issue) in New York, London and Amsterdam, and in Lehrer and Laidley’s (2008, this issue) investigation of waterfront redevelopment in Toronto. In all these instances promises to construct social housing or offers of major environmental improvements are intended to ‘sweeten’ the scheme as a whole.

Lehrer and Laidley consider Toronto to exemplify the new generation of mega-projects. They describe a big project involving a wide range of commercial functions, oriented towards tourism, leisure and consumption. They show how such a project is depoliticized. The sponsors’ objective is to present the urban transformation as beneficial for all social groups, and the project’s advocates are able to use the specified social benefits as a legitimation device. The improvements will provide something for everybody, so it makes no sense to oppose their implementation. Even though the principal beneficiaries are developers and business firms, the provision of amenities and some social housing allows supporters of the project to claim that they are concerned with local communities. In this way, they are responding to the criticism of the earlier generation of mega-projects that rode roughshod over neighborhoods. Viewed in this light, Toronto becomes more of a competitive city on the basis of growing social consensus about objectives presented as favorable for voters as a whole, breaking any possible resistance that might arise.

In Toronto the restructuring process was initially linked to the city’s ultimately failed bid for the 2008 Olympic Games.5 In the preparations made to support this candidature, essential aspects of what would become the new waterfront development could already be seen, not just in the physical sense, in the specific plans for the relevant district of the city, but also in the new decision-making structure, in which the private sector took precedence — a new structure that reinforced social inequality in the city.

5 Many cities, often referring to the transformation of Barcelona before the 1992 Olympics, have used major sporting events as the goad for large projects. This has especially been the case for the 2012 London Olympics, which are regarded as the foundation for the Stratford City scheme (see Fainstein’s article in this issue and Newman, 2007).
Fainstein’s text is a comparative analysis of New York, London and Amsterdam, in terms of a number of major mega-projects (Atlantic Yards in New York, Stratford City within London’s Thames Gateway, and Amsterdam South). Fainstein emphasizes the importance of bearing in mind the economic, historical and other peculiarities of each place when evaluating new mega-projects. Taking each example in its context and looking at the results, it is possible to assess the extent to which each contributes to progress towards justice/equality among citizens. Fainstein thus shares a concern also expressed by Lehrer and Laidley.

The Atlantic Yards project in New York was proposed by an external developer. It has caused major controversy, giving rise to divisions based on race and class. Fainstein analyzes the workings of the public-private partnership and the way the city and state authorities display obvious reluctance to initiate projects without developers already committed. The central importance of the environmental problems arising from the project is also discussed in the article.

Unlike in New York, planning in London is a responsibility of the central UK government, which thus has become involved in the Thames Gateway project, the biggest urban development in Europe over the next few years. Supposedly it will promote sustainable communities and the decentralization of business from the City eastwards, creating a city-region with multiple centers. Given the magnitude of the overall project, Fainstein focuses on analyzing one of the schemes, Stratford City. In this example, unlike Atlantic Yards, the process required the selection of a developer from among various bidders who answered a government-generated request for proposals, rather than a response from the public sector to the developer’s proposal. It would seem that a number of measures were taken to reduce the risk of gentrification. Opposition was muted compared to past occasions, although on the other hand the process did not encourage intense social participation.

In Amsterdam, as in London, the national government plays an important role in guiding city planning. This is combined with greater local authority power than in London, with consequent impact on the implementation of projects. The developments begun in the south part of the city are an attempt to improve the content of older projects, making the relevant areas more socially and functionally diverse. The Amsterdam South Axis is also an effort to change the character of the inner city, seen no longer as the main center of production but instead as that of tourism, entertainment and small businesses. As in Stratford, no major social opposition is apparent, although citizen participation in the planning process was not strongly encouraged.

Together, the mega-projects studied by Fainstein display an increasing convergence of the North American and European approaches to government participation in city construction. Public-private sector collaboration and an orientation towards competition and the market appear in the European cases analyzed, albeit still with a greater commitment to seeking equality and with stronger state intervention. In London and Amsterdam, where some of the old social-democratic ethos still survives, more is required of the developers than in New York. Direct public contribution to social housing and employment in the projects studied in the two European cities is still important. However, as such investment depends on the profitability of the overall project, it can never be its dominant purpose. In this respect the new mega-projects more closely resemble American ones of the postwar period than the social housing efforts characteristic of Europe at that earlier time.

The third article, written by Haila (2008, this issue), also focuses on an analysis of a European city, Helsinki, and, more specifically, on the most important urban development project of recent years in Finland, the Kamppi Center. This project also involves a public-private sector partnership, but the state is not in charge, it is just another participant. Haila adopts a different approach to studying mega-projects, focusing on the contracts and the property rights of the project. A number of contracts in relation to development rights and landed properties, made before the start of the project, had a major impact on the scheme’s genesis and subsequent development. She emphasizes the
importance of looking at these aspects, frequently forgotten in analyses of urban mega-
projects. She is thus describing a process of creating and distributing rights (see
Swyngedouw et al., 2004), of legitimizing the ownership model. Haila’s analysis of
follow-up contracts demonstrates how property rights are constantly being transformed.
Even though the project was not governed by ordinary planning rules, it still involved
forms of regulation. As Haila shows, the effect of regulation by contract instead of by
town planning reflects an increasing conviction that rights are defined, fixed and attached
to the property. The Kamppi Center introduces and consolidates a new way of thinking
about cities in Finland. The focus brought to bear by Haila, used to analyze other cities,
would reveal a great amount of valuable information for understanding the urban
implications of such schemes.

Finally, the article by Bezmez (2008, this issue) about Istanbul deals with a reality
quite distinct from that reflected in recent studies of mega-projects, usually focused on
cities in the developed world. This Turkish example points to the wide range of models
adopted by different cities in their interrelationship with global forces. As in Toronto, this
case is about the renovation of a waterfront, that of Haliç (The Golden Horn), in regard
to which plans have existed for as long as two decades to convert it into a consumer zone.
Yet, the particulars of the case differ significantly from Toronto — and from the projects
described in the other articles as well.

Some points of reference normally used in analyzing mega-projects lose part of their
meaning here. For example, the overriding of planning principles or substituting new
regulations (Helsinki) are irrelevant to an urban development process in which planning
has never been fundamental. Then again, the supposed ‘concessions’ on social issues and
the environment made in other cities to make mega-projects more socially acceptable are
also irrelevant in a place where numerous buildings were knocked down without any
social participation whatsoever. In Istanbul civil society is much less strong than in many
Western cities, and thus there is less resistance to urban projects that are very aggressive
from a social or environmental perspective.

Bezmez analyzes three specific projects (the restoration of Fener and Balat, the
redeveloping of Feshane and the Rahmi Koç Museum) included within a general renewal
of the waterfront. In each case she looks at the specific dynamics of power in the political
economy of the city’s administration (Kantor et al., 1997). In Turkey a major part of
municipal income is from the national budget, reducing the need to establish other
sources. This fact, together with the existence of a weak private sector and the perception
that the chances of making much money are not great, produces an unfavorable scenario
for the development of the planned mega-projects. Above all, potential gentrifiers are not
as numerous in Istanbul as in other cities and, furthermore, some other districts of the city
already provide for these new consumer demands. Thus, the emphasis on private sector
domination that characterizes analyses of the other mega-projects does not apply here.

Conclusions

In such a small sampling of cases we cannot answer the questions addressed fully.
Nevertheless, these articles do offer a spectrum of approaches used in the West, and the
Istanbul example points to the obstacles to Western-style redevelopment in a less
developed country on the edge of Europe that is not experiencing rapid growth.
Comparison among different cities and analyses of the differing roles of the state, the
private sector, and citizen groups provide the basis for understanding the implications of
the new mega-projects and inquiring whether their origins and impacts are the same in
each city that deploys them.

The legitimation of mega-projects through a rhetoric of environmental sustainability
and provision of public amenities makes open debate on their real aims and
consequences difficult. This has led to an acceptance of their inevitability and a stance by
potentially oppositional groups in which they bargain for benefits (‘planning gain’ in British terminology) rather than questioning the underlying logic of the programs. In a sense, this way of assuming the presence of new mega-projects has also permeated urban research, which interprets them as a given fact of the new urban reality rather than discussing alternatives to them.

The result of the analysis here shows the growing convergence of North American and European projects. This convergence is visible in their physical form, their financing and in the role played by the state in a world marked by neoliberalism. The strategic action of the state supporting most of these projects or its crucial collaboration with the private initiative does not mean a break with the neoliberal paradigm. An analysis of each of the mega-projects and its particular conditions (who will benefit? what will be the urban consequences? etc.) helps us to establish the importance of neoliberalism for understanding these processes. At the same time, the new projects do display a greater environmental sensitivity and commitment to urbanity than the modernist schemes of an earlier epoch.

The case studies in this symposium were developed before the global financial crisis of 2008. If the past is any guide, progress on them will be halted at least for the short term. The private participants cannot access credit; the public sector is facing budgetary shortfalls; and demand for new space has disappeared. After the recession in property markets of 1991 a number of major projects including Canary Wharf in London and Times Square in New York went into suspension (Fainstein, 2001). When they were revived later in the decade, aspects of them were improved even while their general outlines remained the same. Probably a similar trajectory will affect the current schemes described here. One characteristic of both the old and new mega-projects is that the timeline for their completion is long, economic and political changes occur alongside their development, and rarely do the completed projects conform entirely to the initial proposals.

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Résumé
Dans la période 1960–1980, les critiques sur les aménagements à grande échelle et les grandes rénovations urbaines étaient fréquentes. Elles soulignaient notamment les conséquences environnementales et sociales néfastes de ces programmes, en leur reprochant en particulier de déplacer les populations à faible revenu ou d’appartenance ethnique différente. Dans les années 1980 et 1990, ces projets se sont faits plus rares dans bien des endroits, répondant à la contestation populaire et au désaccord des intellectuels, parallèlement à une préoccupation nouvelle pour la préservation. Dernièrement, pourtant, les mégaprojets ont réapparu, souvent associés à un aménagement touristique ou sportif et intégrant des créations d’architectes de renommée mondiale. Ils se situent fréquemment sur le site d’anciennes décharges ou usines abandonnées. Le symposium dont ce texte sert d’introduction montre la convergence croissante des projets nord-américains et européens, convergence que l’on constate dans leur forme physique, leur financement et dans le rôle que joue l’État dans un monde empreint de néolibéralisme. En même temps, les nouveaux projets affichent une sensibilité à l’environnement et un engagement vis-à-vis de l’urbanité plus marqués que les programmes modernistes antérieurs.