The bust is behind us, but things are no longer the same

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Monday September 15, 2008, could have been the more-or-less uneventful start of a working week, were it not that one of the largest American investment banks, Lehman Brothers, files for bankruptcy that day. Over the preceding day, tension had been building in the financial markets in anticipation of a major intervention into the financial sector – an intervention that would never arrive. The fact that neither the US government nor commercial banks are willing to take up the banks' massive pack of what today is known as "toxic assets" (mostly trashy and speculative mortgages in real-estate) turns out to be a pivotal event whose results are still with us today. The date will remain engraved as the symbolic start of the Global Financial Crisis which was to shape much of the context and reality of the decade to follow – the focus of this year's Zagreb Salon.

The unravelling crisis would reverberate not only through financial markets, but it would also bring banks and entire countries to economic collapse, forcing many people to lose their homes, and bring the industry from which it all had started out – production of real-estate – to a grinding halt. We would witness the consequences within the architecture profession: much of our work would stop, many would find their professional field devastated, and entire generations of young architects would have to seek a future outside of the direct production of real-estate, not to mention the fate of often underpaid and unregistered construction workers.

The crisis has changed the way we look at things. It has emptied the significance out of such symbolic "keepers of power" – banks, institutions, governance. It has changed how much trust we place in financial institutions as "storers of value" and their wisdom about which fields of economic production investments are to be made (real-estate proved to be problematic, for one). It has changed the amount of trust we place in public institutions, which in these times of high volatility have opted to stabilise and safeguard such fraudulent forms of the economy at the expense of citizens. It has changed the level of trust placed in the government, the frustration of which in the last decade has exploded onto the streets and squares all the way from Madrid, Athens, to Zagreb. In response, Euroscepticism has risen, non-parliamentary movements have emerged, and a set of "a-political" parties has appeared on the scene. The "keepers of power" have grown apart from the citizens, societies and economies they are expected to represent.

Last but not least, during the past decade, some of the long-predicted effects of an ongoing environmental landslide have started to play out. Our interference with the ecosystem (globally and locally) has pushed these so far out of bounds that weather patterns have become disruptive with more violent storms and flood rains, with unusually long "stuck" periods of rain or heat. The constantly rising temperature threatens food production (drought) and the habitability of cities, meanwhile bringing along "wildfires". And while writing this text, the Mediterranean Sea continues to implode as a reliable food source

due to overfishing, wastewater pollution, floating plastic and other "fruits of progress". Now it is all right here, right in front of us.[1]

In hindsight, the events characterising the period 2008 – 2018 may in many ways have been predictable – but have equally been unprecedented. They have shaken the bedrock of our economy, altered how we regard ourselves represented by institutions and by structures of governance. They force us to no longer take the environment as "natural". In this, it affects three critical components of what a robust future entails: economic, social and ecological resilience. Now the decade is coming to an end, what can we make of this?

Can we afford another boom?

Many of us are exiting this decade with a feeling of relief that those 10 years of the bust can now finally be put behind us. Throughout Europe, and definitively also in Croatia, there is a sense of optimism that production is picking up again, that institutions survived the storm – and yes, a government is still there to get us back on track. Possibly even the environmental disarray could be just short of a few quick-fixes, as for instance the fairy-dust of "carbon scrubbing" – vast industrial facilities to be rolled out throughout the world to remove the excess of CO_2 from our planet. Finally a bit of investment-space as an antidote to dystopia?

Beneath the surface, things are obviously less reassuring. The segments of the economy currently picking up are often not considered productive (but are mostly in the financial, service and tourist sectors), the institutions seem hardly future-proofed following the past turbulent years, and government does not seem equipped with an adequate narrative and outlook to take us through the reality to come. But possibly the most terrifying, although mostly undiscussed, fact is that we have good reason to believe we collectively cannot afford another economic boom.

Before entering some of the more technical details of why the reasoning behind the current optimism is illusionary and the outlook of (yet) another boom is undesirable, if not downright suicidal, it may be a right moment to pause with the words from sociologist and political economist William Davies:

> “The problem with viewing the future as territory to be plundered is that eventually we all have to live there. And if, once there, finding it already plundered, we do the same thing again, we enter a vicious circle. We decline to treat the future as a time when things might be different, with yet to be imagined technologies, institutions and opportunities. The control freaks in finance aren’t content to sit and wait for the future to arrive on its own terms, but intend to profit from it and parcel it out, well before the rest of us have got there.”[2]

While Davies’ words are directed first and foremost towards the reality of the financial sector, many intuitively understand the immediate parallel with the field of architecture, the

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[1] Just how far we have already gone beyond safe boundaries as far as our exploitation of the planet and her ecological resources is concerned, can be seen in the diagram Planetary Boundaries, that was published in the first year of the financial crisis, 2009 See also http://www.stockholmresilience.org/research/planetary-boundaries.html

[2] William Davies: “The Big Mystique”. *London Review of Books* Vol. 39 No. 3 (2 February 2017), p. 19-22.

"handmaiden" of today's highly financialised economy. When designing off-the-mill office landscapes, sprawling individualised "utopias" of private houses, thinly veiled "retail vehicles" whose plasterboard scenography will not outlive their next rebranding, or scarred landscapes at the seaside – to name just a few – among many practicing architects there is often a conflicted feeling since not very much of this production looks like it's contributing towards an un-plundered future.

Not only is the economic base behind our current logic of real-estate development questionable. The past decade has brought very close to home not just financial erosion, but the prospect of entire cities, landscapes and societies being put under threat, thus demonstrating that "business as usual" cannot continue.

The list of "collateral damage" that comes along with it is long: the surge in household evictions due to people defaulting on their speculative debts in real-estate, the dangerous levels of air pollution in cities like Split, the epidemic spread of wildfires on the coast, the lack of drinking water on villa-with-pool riddled islands, the threat of a rising sea level in coastal cities like Zadar,... – again just the beginning of a long list.

Interestingly, in the economy we call these damages "externalities". Such externalities are treated as spillover effects from the consumption or production of a commodity and are not taken into account in its price. Or in other words: others are to pay the bill for the damage caused. But what has long been tolerable as external, has now, however, come too close for comfort.

Much of this relates to how we regard and structure the "goal" of our economies and societies, or how we understand the so-called "progress" we make. In conventional economics, we understand progress as the expansion of the economy. For example, when we say "economic progress is trailing people's expectations" we are referring to an underperformance of its current growth, something perceived as undesirable. The prime goal of the dominant economy is thus understood to be the delivery of (sustained) growth. According to a growing group of economists, such an approach is not only outlived but simply fraudulent.

Over the years, new strands of economic thinking have started developing. With a clarity no lesser than that of William Davies' statement mentioned above, the economist Serge Latouche for instance argues:

> "To say that exponential growth is incompatible with a finite world and that our capacity for consumption must not exceed the biosphere's capacity for regeneration is so obvious that few would disagree. It is, on the other hand, much more difficult to accept that the inevitable effects of production and consumption have to be reduced [...] and that the logic of systematic and dramatic growth (which is driven by finance capital's compulsive addiction to growth) has to be called into question, as does our way of life."[3]

Latouche is one of the influential thinkers and activists behind the "Degrowth" movement, advocating the downscaling of production and consumption – in other words, the contraction of the economy. In this vision, a concept like "sustainable growth" is also seen as contradictory – setting out for growth can simply not lead to a sustainable future. Although this approach to the economy initially may be perceived as a rather ominous prospect (to

[3] Serge Latouche: *Farewell to Growth*. Polity, 2009, p.3

some having reminiscences of a sustaining crisis), the movement insists that degrowth can instead be achieved without a decline in well-being. The past decade of crisis meanwhile has put the degrowth concept firmly on the map.

The author and lecturer in economics Christian Felber advocates an approach that reorients our relationship to work, money – and the purpose of both. He outlines an economic system in the service of humans that takes the pressure off the environment while recognising the impossibility of endless growth.[4] Felber belongs to a number of economic and environmental experts challenging the promise of "sustainable development". Sustainable development is often portrayed by three partially overlapping "pillars": economic, social and ecological development – implying their equal importance. What economists like Felber are proposing is to re-prioritise the three pillars. Economic prosperity in such an approach is conditioned by social prosperity, which is subsequently further conditioned by ecological prosperity whose sustainability is a priority that sets the framework for all human activities.

The economist Kate Raworth has written an inspirational book on a comparable type of economics that brings together a number of key concepts around a sustainable economy.[5] Raworth illustrates such an economy with the image of an American doughnut, the one with the hole in the middle. The edge of the hole of the doughnut, or the inner circle of this model diagram, represents the societal threshold of the sufficiency of resources and minimal living conditions (food, clean water, housing, sanitation, etc.).[6] Whoever finds herself/himself falling inside the hole is in a state of deprivation of their basic societal guarantees. The outer ring of the donut represents the Earth's environmental limits.[7] Overshooting ring in that direction inflicts dangerous environmental conditions (climate change, ozone layer depletion, water pollution, etc.). Only an economy that situates itself in the area of the ring – the doughnut itself – provides an "ecologically safe and socially just space". Not only does she demonstrate that enduring growth does not fit this picture, it also means changing our picture of what the economy is – and how it works.

Progress and growth

If we are able to start imagining how a different future might look and are developing models to direct it towards this, why then does it seem so hard to take on the transition? Are we unable to change the course of events? Is it indeed easier to imagine the end of the planet than an economy that is not based on growth?

What stops us in taking on a different future might lie in our understanding of progress and the embedded evolution of this concept. This understanding traces a while back in history, already to the period of the Enlightenment during which the idea of progress started to be coupled with an unfolding timeline of human history, in a way which was seen as a linear and irreversible progression. Subsequently, it also provided moral justification for human domination over the non-human sphere. The industrial revolution (with mass production and the need for optimisation) in turn introduced the concept that the economy

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[4] See Christian Felber: *Die Gemeinwohl-Ökonomie – Das Wirtschaftsmodell der Zukunft.* Vienna: Deuticke, 2010.

[5] See Kate Raworth: *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. White River Junction: Chelsea Green Publishing, 2017.

[6] As defined by the *United Nations' Sustainable Development Goals* of 2000.

[7] As defined by the *Planetary Boundaries Research Network* in 2009.

needed to grow – on the back of an exploited work force and environment – in order to absorb the progressively increasing output of industrial production. It would, however, take the Great Depression of the 1930s and the 1950s post-war reconstruction for a renewed interest in macroeconomic questions to give rise to the modern conception of "the economy" and to interventionist policies by which to stimulate this economy. Step-by-step, growth became cemented in our understanding of progress.

Fast forward to the 1970s. The emergence of systems theory introduces an understanding of the complex set of subsystems in which human action operates, like the concept of the Earth as one interconnected synergistic and self-regulating, complex system – fostering the emergence of what we call today the field of "Earth Science".[8] More or less at the same time, a group of pioneering scientist from MIT introduces (early) computers to calculate the future needs of a growing population in terms of natural resources and its relation to planetary ecological and metabolic systems. In what would become the landmark publication *Limits to Growth* (1972) they predict that with the "then" prevailing growth rate, by 2030 we will be facing a global crisis of production and distribution of food, water, energy and natural resources. They conclude: "It is possible to alter these growth trends and to establish a condition of ecological and economic stability that is sustainable far into the future."[9]

The 1970s oil crisis however quickly reinforced a neo-liberal economic doctrine, heavily based in a growth imperative along with a script for the extraction of natural resources to an extent never seen before. It has led the ominous calculations from the *Limits to Growth* report to being very spot-on, today.

Can architecture be …?

With the current decade, we have said "farewell to growth" – at least, for a while. Now, in its wake, we have to assemble the fragments for an integral breakthrough, demanding a profound shift in the contribution architecture provides – and what we expect from it, how we review it. We can approach this along three main issues:

… integral to an enduring, vital economy?

The production of architecture is never a solitary act – it inscribes itself into its context, economic reality, and future. And as such its produced results are an integral part of a larger society. We expect the production of architecture to contribute to an economic paradigm that allows these societies to thrive – also beyond today. This implies a much tighter involvement in the impact a building produces than only what we witness today. Such architecture is not produced for clients, but commissioned by clients and produced for the communities it acts in and the environment it operates in.

Architects here may find themselves a part of collectively commissioned tasks put forward with groups of citizens, like housing projects, but also new unconventional typologies that integrate living with "post-wage-labour" work conditions, community facilities, etc. Here, the architect is not a mere expert, but an integral (co-)designer of the community, of its

[8] As a/o advocated by the scientists James Lovelock and Lynn Margulis.

[9] Donella H. Meadows, Dennis L. Meadows, Jørgen Randers, William W. Behrens III: *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind.* New York: Universe Books, 1972, p. 24.

financial approach, environmental impact and its spatial outcome. For this, different economic constellations are necessary.

In 2014, a significant step towards such a different economic infrastructure is made when the Cooperative for Ethical Financing (ZEF) is set up in Croatia, in line with similar structures existing in France, Spain, Italy and beyond. For the first time since the start of the crisis, in Croatian context we see a different financial institution, owned by its members and not by corporate debt-holders, and a horizon that includes the facilitation of a localised productive economy and a bank that will work according to ethical and socially responsible principles. But it does not stop here. Currently, ZEF is involved in setting up a regional investment fund for non-speculative co-operative housing projects. This will allow communities and designers to collectively start developing a new generation of living and working environments – laying out their complexity and resilience in terms of community, finance and spatial setup. This is the first of what could be an entire constellation of novel financial entities that position architects as direct contributors to thriving communities.

… integral to a vital (natural) environment?

For this to happen, we have to stop considering the impact of the built environment as an "externality" (production, operation, decommissioning) on the wider ecosystem, and instead take this impact into account as a prime motivator of design choices. This acts out both on the level of the built object, as well as the level of the spatial layout / urban fabric in which those objects are placed. Here are some things to consider:

At the level of the object, the production, maintenance and operation of buildings are to become largely resource-neutral. While those words are rather matter-of-fact, in reality it is one of the biggest challenges to be put to the profession.

In the design and construction of buildings, it means saying goodbye to the casual use of some of the most common materials (like conventional concrete[10] for instance), just because the necessary embedded energy for their production or their environmental impact is intolerably high.[11] It means instead looking at low-impact materials that are renewable, or that at a relatively low energy cost can be reused. It equally means using intelligent design to reduce the amount of waste emerging from a construction site, both in construction and anticipating its future decommissioning. All of this can be done today – and there is no reason not to embark on this journey right away.

In actual operation, buildings are largely to perform as their own energy sources, by which they deliver the necessary power to operate themselves (including heating and cooling). Apart from obvious pre-conditions like a proper thermal design, this requires implementing active energy technology – much of which is already available today. There is no reason not to implement already existing base technologies like solar PV and prepare the infrastructure for the easy integration of forthcoming advanced systems (like thermal or electric batteries).

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[10] Production of cement – over 4.1 billion tons per year globally as of 2017 – alone accounts around 5 percent of worldwide CO_2 emissions, of which 50% is from the chemical process and 40% from burning fuel for its manufacturing.

[11] Environmental impact like the enormous overshoot of biochemical flows (mainly phosphorus and nitrogen) or the aerosol loading of the stratosphere – something we still have yet to start understanding.

Finally, as built objects they are to be conceived in such a way as to blend into their surrounding ecosystems rather than vandalising them. For instance, in the degree to which they counter the warming up of cities – the urban heat island effect – through their choice of materials (reflective “cool” colours, green roofs, ...), how they regulate the water balance (through permeable materials allowing water to infiltrate and buffer), or their capacity not only to host humans but also provide space for other urban species. Simple choices can have a massive impact here.

Considering the long life-span of most buildings, design decisions have to be scrutinised along these lines. It will change the character of built architecture – structurally, materially and visually. But moreover, it will let them perform differently, less erosive.

At the level of the urban setup (or urban fabric), spatial design is to aim at compact open systems. This reduces the "claim" on land as a resource, the amount of infrastructure needed and the amount of energy required in transport.[12]

In order to achieve such (multi-clustered) compactness, urban areas are to provide access to integrated networks of services, care facilities and job opportunities within reach of one’s chosen locality.

At the same time, compactness also allows integrating decentralised systems, like localised energy production/storage, localised wastewater treatment, localised transport services etc. While these have traditionally been designed as closed centralized systems[13] such an approach is becoming increasingly inflexible, inefficient and incompatible with contemporary technological developments (like miniaturisation, and generation by prosumers). This base infrastructure now faces a fundamental makeover to become decentralised, multi-directional and non-proprietary (open-source).[14]

An undervalued aspect of the relation of urban areas and the (natural) environment is their importance in supporting urban ecosystems (flora, fauna). Not only does urban territory make up such a substantial degree of the planet that it has to start to become more welcoming towards nature, a part of nature today can only thrive in a supportive urban context. Integrating hospitable conditions for urban nature on the level of sites, corridors and urban areas (and connecting them) is crucial to this.[15]

Obviously, much of tomorrow's spatial design will focus on reconfiguring the existing cities, neighbourhoods and clusters of buildings. This is evidently important in areas with an

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[12] To illustrate, in 1960 the average amount of built square metres per person in cities was 17m^2, in 2016 it has nearly tripled to 47m^2. This has a complex set of causes one of which is suburbanisation, a/o legitimised in the Croatian context through the law on legalisation. The future we are heading to will not allow us such generous consumption of built space.

[13] The main operational logic follows a linear setup: production > distribution > consumption, which does not allow for the end of this chain to become active providers of for instance locally produced energy, or locally treated wastewater, etc.

[14] This also introduces a user-driven, incremental level of innovation and participation much like what we have seen in pioneering digital technologies that have started to thrive over the decade.

[15] Including ecological systems within the urban fabric (nature-inclusive design) can offer us humans great benefits. Together these benefits are called “ecosystem services”. These services are part cultural (for instance our enjoyment of parks), part productional (it can offer renewable sources of food, energy, materials), part social (a/o concerning wellbeing and healthcare). However, the main advantage lies in the natural system itself and the (metabolist) flows it generates. It reduces heat stress, cleans the air of smog particles, controls/dampens the effects of climate change and is our only source of oxygen.

increasing urban density but holds equally for the depopulating cities and towns in the region. In those shrinking urban cores, clever reconfiguration along infrastructural lines or hubs of urban services can allow downscaling – or even withdrawal and handing back to nature, a reality in which the architecture profession still has hardly any expertise to offer. Paradoxically, for with creating comes also the inevitable act of decommissioning. Stepping beyond the inevitability of a growth paradigm may well apply here.

… contribute to vital communities?

The past decade has challenged the economy, institutions and governance as we know it. But as we have seen, it has equally questioned the extent to which architecture contributes to a thriving society. Obviously, the field of architecture faces the pressure to change its relation to the society within which it produces.

Over the previous years, we have experienced a growing focus on other forms or means of organisation emerging within society. In particular, the emergence of the commons as a form of governance, practice and production may be crucial to this. This focus on the commons is tightly interwoven with the past decade – and can be regarded as one of its most defining outcomes.

In 2009, the political economist Elinor Ostrom was awarded the Nobel prize for her groundbreaking work on commons-based economies. Around the same time, amongst others the Multimedia Institute, Pravo na Grad, Zelena akcija, Pulska Grupa and the Green Academy have put the commons on the map regionally, largely with a focus on contemporary urban commons. It now informs novel forms of governance and political organisation (such as Zagreb je naš since 2017). It informs how different forms of economic activity can be undertaken (as in the case of ZEF). It is informing forms of professional organisation (as in the re-surge of co-operatives in Croatia). And potentially, in line with the last, it may inform a direction to be taken up by the local architecture associations, under the guidance of UHA.

If we look at what distinguishes architecture from most other fields of design – or art, for that matter – what comes to the fore is its immanent publicness. Regardless of the property status, or the source of the investment, architecture is situated in our collective environment. At the same time, architecture cannot be produced autonomously – it needs technological and social preconditions for its materialisation. It depends on its environment, as much as it shapes that environment.

It is exactly the discrepancy between the current tendencies in economics and politics on the one side and architecture's embedded positioning towards a shared reality that has been the source of many frustrations within the profession during the last decade. It manifests itself at times in a somewhat autistic retreat to formal “autonomous" aspects of architecture, or the rising surge of interest in its role in shaping the Yugoslav welfare system.[16] This frustration of an architecture that struggles to serve its communities may be real – but it is not the end of its engagement. Here the discussion on commons has a potential in the contemporary circumstances to become central to the architecture profession, for its ability to express human efforts not as being merely individual but as a collective.

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[16] Like the 2012 exhibition and publication *Unfinished Modernisations: Between Utopia and Pragmatism*, the TV documentary *Betonski spavači*, or – currently ongoing – the MoMA exhibition *Toward a Concrete Utopia: Architecture in Yugoslavia, 1948–1980*, but also grassroots initiatives of architects in cities of Varaždin, Šibenik and Karlovac.

Fragments of a future to come

It is evident that the production of architecture is deeply entangled with an economy we can no longer afford. It is also clear that there is much within the power of architecture – and in the way it materialises, it engraves itself in society, landscapes and cities – that could lead it to produce towards different ends. To overcome such blocked state in which architecture currently finds itself, we believe it is necessary to understand it in its full complexity – as a "world making practice".[17] A practice that integrates economy and political action with the environment, which is able to offer a home to our common institutions, and can express our social being beyond empty representation. A practice that is "world-making" is the one that can make the world our home, something of utmost importance after the decade that made our economy more distant, our planet more unlivable and institutions more alien.

Our biggest asset in this is our everyday reality, liberated by the last decade from all sorts of mediation, emptied from the symbols that once promised us a bright future. Now that the symbolic power of architecture has been profoundly hollowed out, the empty shell remaining can take on other capacities. Some of the conditions for this have been outlined here. Others are still in urgent need of being laid-out and adopted. We can start to arrange that puzzle as a constellation made out of new ambitions, old remains, material traces that could give us clues, sediments of the past and ruins of today that become foundations of a future to come. Let's take architecture down that rabbit hole.

[17] See György Lukács: *Poglavlje o arhitekturi.* Pula, Rijeka, Zagreb: Dobrolet, 2017.