RELATIONAL CITIES DISRUPTED: REFLECTIONS ON THE PARTICULAR GEOGRAPHIES OF COVID-19 FOR SMALL BUT GLOBAL URBANISATION IN DUBLIN, IRELAND, AND LUXEMBOURG CITY, LUXEMBOURG

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ABSTRACT
This paper looks at the particular geographies associated with the COVID-19 outbreak through the lens of cities that are products of relational urbanisation. This includes small but highly globalised cities, such as financial centres or hot spots of politics and diplomacy, which are usually situated between different political, economic or cultural systems and their boundaries. These cities experienced strong growth due to internationalisation and a dedicated politics of extraversion. Our argument is that such places are unusually affected by the current lock-down, illustrated by two empirical cases, the cities of Dublin, Ireland, and Luxembourg City, Luxembourg. Both have experienced striking growth rates recently, but now suffer from disruption. Their development trajectories remain unclear, since a return to the ‘old normal’ seems unlikely, and the emergent ‘new normal’ calls for adaptation towards more state involvement in areas hitherto governed by the market. The paper addresses possible alternative geographies for both cases.

Key words: cities; COVID-19 review; Dublin; Luxembourg City; relational urbanisation

INTRODUCTION: THE GEOGRAPHIES OF THE COVID-19 OUTBREAK AND RELATED POLICIES

The morbid geography in maps and graphs describing the outbreak and spread across the globe of COVID-19 provokes both old and new questions about geographies both of pandemics themselves and also the responses of public authorities to variously arrest, mitigate and manage an epidemiological threat to human life on a planetary scale. The interconnectedness, mobility and flows produced by urbanisation and globalisation are both vectors of contagion across territories and the lifeblood of an economic framework in which the depleted and uneven abilities of state infrastructures to protect public health and mitigate economic insecurity are severely tested (Connolly et al. 2020). Our particular focus is on the impact of COVID-19 on relational urbanisation, an emergent theme in urban studies which considers the orientation of cities towards relational positionality in the network of global flows (material, capital, informational, cultural) produced and reinforced by financialised capitalism (Olds & Yeung 2004; Sigler 2013, 2016).

While relational urbanisation implicates at one level or another every urban setting, our interest is in those places which have undergone
rapid transformation utilising their ‘in-between’ geopolitical, economic or cultural qualities and scales to extract much higher gains than their geographical footprint would ordinarily permit (see Hesse & Wong 2020). The more these ‘small-but-global’ or ‘middle-weight’ (Amin & Thrift 2017) places have invested in the attraction of inherently footloose flows of capital, the more they have to lose from economic disruption of these flows. This property renders them successful but vulnerable:

Connectivity has risen to unprecedented levels between communities and bioregions that used to be separated by long travels across oceans, deserts and other expanses. In particular, this connectivity in the contemporary world has changed among the metropolitan regions of the world, which are now in immediate proximity due to present-day volumes and speed of air traffic (Keil & Ali 2006, p. 107).

As small entities, whose public sectors often did not develop in line with the strong growth of the economy and private wealth, they also seem less prepared for the public health shocks from pandemics which their ‘global city’ competitors can better absorb. Moreover, such is the depth, costs and expected returns of transformation that diverting from a path already deemed to be ‘unsustainable’ (Morgenroth 2018) seems hitherto unthinkable.

Looking at the impacts of and responses to COVID-19 on two capital cities of small national states (Luxembourg and Dublin respectively), we consider the vulnerabilities of ‘small but global’ relational urbanisation to COVID-19, both in the short term and considering potential changes in the structural macroeconomic framework conditions flowing from it. Further, we consider the relevance of these cities’ experiences and outlooks more widely within urban geography in order to ask whether these cities can illustrate pathways towards alternative geographies to relational urbanisation. By this we mean to explore whether disruption on the scale of COVID-19 can lay bare the already tangible vulnerabilities to cities embedded (too) deeply within the neo-liberal frame so as to provoke realistic opportunities for alternative trajectories which address problems that a particular, path-dependent pursuit of economic positionality has so far led them to neglect and exacerbate (Ali & Keil 2007). Amid all the difficulties, deprivation and loss which the Corona pandemic has brought about, the lockdown allows us to raise questions that might have been difficult to ask when everything was running seemingly as normal. Besides dealing with the pandemic, this ‘new normal’ is actually what the current crisis is casting a spotlight on.

In the next section, we will conceptualise the paper’s subject matter in the context of small-but-global, relational urbanisation. We will then take a closer look at the impact of the COVID-19 related lockdown and discuss what this means for the cities of Dublin, Ireland, and Luxembourg City, Luxembourg. Against the background of these two empirical vignettes, we discuss some possible alternative geographies for these places, assuming that the current lockdown provides a challenge for these cities’ development trajectory from a more general, long-term perspective as well (even if seeking such alternatives has rarely made it onto the political agendas of the two countries). In terms of methodology, this paper is a reflection that applies the experience and findings that have evolved from different research activities and projects, whose empirical evidence has emerged from the careful assessment of secondary sources and also extensive fieldwork; these include, first, the research project GLOBAL (10352117), funded by the Fonds National de la Recherche Luxembourg and carried out between 2016 and 2019 at the University of Luxembourg; second the ongoing PhD dissertation of Michael Rafferty titled ‘Maintaining Unsustainability: A Relational-comparative Assessment of Rapid Urban Transformation in Dublin and Beirut’. Our findings confront the two cities’ development trajectories with the situation caused by the recent lockdown, which can be understood as a case of (involuntary) experimentation implicating the city, its current manoeuvrings and future prospects (cf. Bulkeley et al. 2019).

WHAT DO WE MEAN BY RELATIONAL URBANISATION?

In the course of globalisation, a certain range of metropolitan regions have experienced strong growth rates at the global level in recent decades, and were considered to be global cities.
Apart from these, which primarily comprise large metropolises and megacities, we can also find a set of small-but-global cities or city-states which valorise their smallness through the exploitation of economic niches through a form of urban brokerage (Martinus et al. 2019), by attracting flows of various kinds and excellent global connectivity. Following Olds and Yeung (2004, p. 492), the specific ability of these places and their actors to extract ‘streams of profit from extraterritorial terrain’ is essential for the successful practice of relationality. The term used to situate ‘small-but-global’ city formations empirically is the ‘relational city’, taking up Sigler’s definition, who included cities ‘constituted through globally critical flows of capital, goods, and ideas, and whose economies are dedicated to intermediary services such as offshore banking, container- and bulk-shipping, and regional re-exportation.’ (Sigler 2013, p. 612) The foundation stones of such ‘relationality’ are the management of flows, maintained by positionality and governance features, and further reinforced by particular historical trajectories (blinded for review). In short: relational urbanisation is most likely to emerge at cross-border locations which: mediate between different systems (language, culture, politics); specialise in particular niche economic activities (such as finance, tech or other services); rely more on an exchange rather than production type of economy; and often also add diplomatic functions to their portfolio.

Many cities became categorically relational through idiosyncratic governance conditions. Small states are prone to relational urbanisation as they make use of legislative autonomy permitting regulatory adaptation, legal changes and creating a pro-business political atmosphere. Niche sovereignty makes them in some ways nimble than cities in larger federal states, and a certain closeness (and overlap) between decision-makers is a hallmark of governance in most relational cities and states. Swiss cities such as Zürich, Geneva or Zug can be seen as template cases, with their mix of financial industries, diplomatic tradition and footnote economic activities such as merchanting allowing them to become powerful spaces within the global economy and politics (see e.g. Haller 2019).

The basic impact of the COVID-19 lockdown on relational urbanisation seems, on one level, trivial in cities where the business model largely relies on market actors who thrive on exchange, interconnectedness, internationality and intermediating between related geo-economic systems. These cities stand to lose perhaps more value from short-term lockdown and medium-term travel/working/trading restrictions than those with more diverse, lower-growth economies. Not coincidentally, some relational cities are known as tax-havens or minor financial centres, and assume that the concentrations of wealth and state witholding are able to immunise themselves from the worst effects of crises generally, and invest in the necessary infrastructures with the gains made (Sigler et al. 2019). However, the lockdown has revealed risks and vulnerabilities that challenge relational cities in specific ways, which is partly due to COVID-19, but partly also inherent to relational urbanisation.

First, many (but not all) are prime sites of actually-existing neo-liberalism (Peck et al. 2018). ‘Small state’ logics pervade: infrastructure is more a function of place-staging for capital than of public service; public services are variably basic, antiquated, expensive or underdeveloped in favour of private provision; political systems are inflected by the capital they have moved to attract and can make long-term unresponsiveness work as long as the economic returns from relationality continue to flow in. Fiscal flows can be similarly problematic and heavily weighted to (or away from) particular activities and interests, and public based on a narrow tax base.

Second, the advanced-services economy and sectors of consumption which surround it are highly labour-intensive. Relational cities typically have a working and middle-class whose economic activities lie outside (and perhaps in spite of) the directly ‘relational’ aspects of the economy. They are cities where the attraction of high-wages and seemingly stable GDP growth attracts an influx of labour which is variably subject to high costs, intolerable commutes and lack of agency and representation in the political and industrial structures of their host system.

Third, these cities exhibit magnified urban problems, notably in unaffordable housing, unabated gentrification and changes in land-use away from worker housing and towards
office-building and catering for heightened needs of bourgeois consumption, car-first transport and street planning. Not only does this displace existing communities, but the payoff for ‘higher use’ of the areas involved is subject to the usual laws of uneven development, and a lot of it is extracted altogether.

Locating the phenomena of relational urbanisation in the COVID-19 pandemic therefore identifies states and cities for whom an interruption to GDP growth presents problems deeper than the mere anticipation of a ‘slowdown’. The disruption of flows is particularly acute in land-locked and island states, and the anticipation of the level of loss may affect a relational city’s ability or willingness to properly lockdown to stop transmission. Relational cities may thus be positioned in different ways, compared to the classical divide between cities and metropolitan areas on the one hand, and the (imagined) countryside on the other (Acuto 2020; Connolly et al 2020).

The ‘relational’ element of our inquiry here is not only an empirical category but also about the purpose and means of scientific comparison of these two cases. As much as we identify their immediate relevance to each other and basic comparability according to a socially constructed sort of European ‘scale’ (i.e. as national capitals of small Eurozone states), we want to eschew this type of methodological territorialism in the substance of our urban comparison in favour of a relational-comparative approach (Ward 2010). By this we mean to consider processes of urbanisation in both places relationally, that is: (i) with regard to the prosessual, path-dependent geo-historical growth patterns seen within each as having been socially produced through peculiar governance characteristics and brokerage/acquisition of economic power; and (ii) the development of geo-political and -economic relations produced through industrial transformation and rapid growth. This approach intends to shift the geographical focus away from traditional urban comparison which in this case might unduly problematise the scalar differences between these two national capitals (one of 190,000 and the other of above 1 million), and instead:

[s]tressing interconnected trajectories – how different cities are implicated in each other’s past, present and future – moves us away from searching for similarities and differences between two mutually exclusive contexts and instead towards relational comparisons that uses different cities to pose questions of one another: Ward (2010, p. 480)

In this sense, the focus in our relational analysis is to see these city cases (and urban comparison generally) less as comparisons of bounded entities and rather as ‘dense bundles’ of actors producing social and geographical change (see Table 1).

THE CASE OF DUBLIN, IRELAND

Some 61.4 per cent of the Republic of Ireland’s total of 21,772 confirmed cases of COVID-19 as of 4 May 2020 were in the Greater Dublin Area, while the number of deaths nationally reached 1,319 by the same date (Irish Government 2020). The Greater Dublin Area – the city and the surrounding counties of Kildare, Meath and Wicklow – represent around 40 per cent of the Republic of Ireland’s 4.9 million population and well over 50 per cent of its GDP. The city and hinterland is currently at its historical height in terms of population relative to the rest of the country and finds itself not only the epicentre of economic and political power in the Irish state, but also of the COVID-19 pandemic in the country and island. Compared with its nearest neighbour, the UK, Ireland has been moderately affected with some 263 deaths per 1 million population versus the UK’s 430 per 1 million (according to COVID-19 mortality analyses by Johns Hopkins University). While Ireland’s approach to COVID-19 has garnered international plaudits for its comparatively early and decisive interventions aimed at stopping the spread of the virus, shoring up its public health response and mitigating the initial economic fallout, comparisons are only favourable with generally slow responses in the anglosphere, including the UK and USA. These nonetheless amounted to an effective mobilisation of the relatively modest resources of the State and have been tentatively rewarded by a relatively low transmission, hospitalisation and
| Capital City | Dublin | Luxembourg |
|--------------|--------|------------|
| Area (square km) | 115 | 51.73 |
| Population: | | |
| - City incl. neighbouring municipalities | 1,335,000 | 190,000 |
| - Functional urban area (OECD, 2015) | 1,830,000 | 560,000 |
| | 130,000 | 150,000 |
| Share of national employment | 45.3% (Greater Dublin Area) | 50% (Agglomération de la Ville de Luxembourg) |
| | | |
| Global connectivity (GaWC 2018) | Alpha - | Alpha - |
| Financial market place (GFC 2020) | 30th globally, 11th in Europe | 18th globally, 7th in Europe |
| Corporate Headquarters present | Google, Airbnb, Facebook, eBay, PayPal, Twitter, LinkedIn, Apple, Microsoft | Amazon.com, Skype, PwC, EY, KPMG, Deloitte, John Deere, Ferrero, ArcelorMittal |
| | Republic of Ireland | Grand Duchy of Luxembourg |
| | 4,921,500 | 620,000 |
| | 2,394,545 | 442,772 |
| GDP per capita | US$84,700 | US$107,600 |
| Corporate tax rate | 12.5% (individual rulings & profit shifting possible) | 29.0% (individual rulings & profit shifting possible) |

Note: Data as of 2019, except where indicated; own compilation based on various sources (governments/statistical offices, OECD, World Bank, Global Financial Centres Index, GaWC/University of Loughborough, UK).
death-rate compared with the UK, with some hospitals so far only occasionally reaching full ICU capacity, although surge capacity remains severely limited.

A ‘small state’ (Katzenstein 1985) in all senses, the highly centralised administration effectively nationalised the private side of its two-tier national health system and introduced direct welfare payments for workers unemployed by dint of the lockdown, which saw workplace closures, travel restrictions and social-distancing measures imposed. These, together with highly-publicised special PPE deliveries via the former national airline Aer Lingus from China and positive international press coverage, keep out of sight (for the time being at least) the severe strains the early stages of COVID-19 are putting on a weakened state infrastructure only emerging from the decade-long trauma of austerity (Turner 2018; Landler 2020).

But the positive impression given by national-level comparison obscures the dynamics at the urban level in a state where enormous and rapid economic GDP growth since the 1990s has materialised through the emergence of its capital city as a magnet for financial and service-industrial capital and, increasingly, material, cultural and information flows in the context of globalisation (Sokol 2007; Moore-Cherry & Vinci 2012). As one of the most centralised states in the OECD, Ireland’s national government exerts much control over and extracts much value from Dublin’s new internationalised ‘alpha-minus’ economic positionality. So much so, that it becomes not unreasonable to conceptualise the governance paradigm as being a ‘small state’ that operates competitively as though it were a city-state embedded in a global capitalist competitive framework, extracting gains extra-territorially through multi-level relational dialectics between the global, local and intermediary levels. Yet important geographical differences demarcate Dublin and Ireland from more celebrated examples of finance and advanced services-oriented ‘small-but-global’ urban players like Luxembourg, Singapore or Geneva, not least a starting point of postcolonial industrial decline rather than historic geopolitical advantage, a lack of adjacent jurisdictions into which the close-quarter problems and costs associated with rapid growth can be absorbed or externalised, and from demographic pressures which result from a long-term history of decentralised settlement outside the capital.

It is therefore hardly a surprise that of the 1.018 million workers (42.6% of total national employment in January 2020) currently in receipt of either the COVID-19 wage subsidy (427,400) or COVID-19 pandemic unemployment payment (591,000) nationally, 46 per cent reside in Greater Dublin (Revenue 2020). Inner Dublin’s daytime working population only broke through the 500,000 mark in 2016; those employees able to work from home during the pandemic who are not public sector workers are employed to a large degree in advanced service, tech and finance firms (Dublin is in the ‘top 3’ of RHQ-hosting cities in Europe; Belderbos et al. 2017), whose presence in Dublin is predicated upon otherwise smooth relational flows (transatlantic, Anglo-Irish and with major financial centres in Europe and the Gulf) of people, capital and information (Sokol et al. 2008). Pressure will surely come from these quarters to ensure an earlier opening of air-passenger traffic than public health officials might like.

Therein lies the main short-term problem COVID-19 presents to the type of relational urbanisation Ireland has achieved through Dublin: while early intervention and lockdown has certainly averted a very imaginable immediate disaster, the financialised economy of the island relies on maintenance of positionality as a magnet for flows and cannot tolerate downtime to the degree of ‘global cities’, or even those other ‘small-but-global’ places which, although still challenged by COVID-19, enjoy more geopolitically embedded resilience, such as Luxembourg, Amsterdam and Copenhagen.

While COVID-19 has brought the necessity for properly funded public services into political focus in the most populous member-states of the EU, with some recantations for their neglect in the name of ‘fiscal discipline’, these are states with a higher propensity to turn back to pre-2008 crash levels of public spending, revitalising (or renationalising) the decaying health, social security and public service infrastructures which thankfully survived the last decade of austerity. Dublin’s rapid jump from postcolonial
‘backwater’ (Murphy & McGuirk 2013), to the central pillar of a national economy was built without such prior infrastructures having been in place to anything like the same extent; even worse, the period of austerity up until 2016 and so-called ‘recovery’ afterwards envisioned only catch-up infrastructural improvements for the purposes of capital rather than public health, such as railway connections to international airports while the commuter network continues to run on rolling stock from the early 1980s. The virus therefore presents a medium-term threat to Dublin’s economic niche by highlighting its infrastructural deficiencies. GDP to sub-national public spend ratio is among the lowest in the OECD at 4.0 per cent, comparable more to the neoliberal laboratories of Chile, Greece and New Zealand than to the other small nations of Europe (OECD 2018).

Additionally, if the engine of the financialised Irish economy has been the combined motor-unit of low corporate taxation, banking and service-labour, then its distributor has been in the commodification of its urban property. Flows from the city’s relatively high-salaried workers in the form of housing and office rents to small landlords benefiting from the peculiar provincial political culture at the national level continue increasingly in the direction of REITS and international funds investing in the spoils of foreclosures during austerity. Demand for offices and housing have, since the Celtic Tiger, presented a way for some of these global capital flows to remain stuck in Ireland (Waldron 2018). With rents in Dublin rivalling those of ‘global cities’, the COVID wage subsidy and unemployment benefit risk becoming a de facto transfer to landlords, an aspect which is already politically taboo.

In common with processes of neoliberalisation in larger western states, from the 1980s and through the Celtic Tiger years, economic development in Ireland, while rooted in entrepreneurialism, was a close collaboration between industrial capital and (national) state coordination, if not actually ‘planning’ (MacLaren et al. 2014). Underpinning this, a national economic approach of ‘social partnership’ between state, capital and trade unions provided only a limited balance during the initial periods of strong economic growth (O’Donnell & O’Reardon 2000; McDonough & Dundon 2010). Both of these former pillars of Irish economic development lost their relevance to the new globalising dynamic in the last decade of austerity and austere ‘recovery’, replaced by market-oriented forces.

Moreover, state competence in economic development is closely allied with that of spatial planning, exemplified in Ireland by the 2002 National Spatial Strategy (Breathnach 2010), replaced in 2018 by a National Planning Framework (Lennon et al. 2018). A particular quality of Ireland’s national governance – grossly outweighing the power of its capital city’s local state – has been the ability to co-opt the discursive and rhetorical power of ‘regionalism’ and ‘decentralisation’ in such plans to provide cover for a recurring political dynamic in which provincial independent politicians can extract promises of investment or changes to proposals in their own electoral constituency in exchange for shoring up the governing parties’ parliamentary majority. Not only does this practice seriously undermine the state’s ability to actually ‘plan’ a spatial alternative, it creates an obscurity in the national planning framework which can be easily exploited by global players, seen in proposals for further gentrification around Dublin’s docklands by MNCs wishing to collaborate with property developers to invest ostensibly in ‘worker’ housing on lucrative sites, even suggesting a privatisation of Dublin Port’s remaining land for this purpose. It is hard to envisage the local and/or national state taking control of sections of spatial and economic planning such as housing, despite the 2018 foundation of a ‘semi-state’ agency (the Land Development Agency) to do so. Examples from other ‘relational’ city(-states) such as Singapore, if not showing ‘how’ it should be done, at least demonstrate that the state can actually intervene in otherwise market-driven areas such as housing without jeopardising its relational role.

THE CASE OF LUXEMBOURG

The small but highly globalised Grand Duchy of Luxembourg has been particularly affected by the outbreak of COVID-19. The number of

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infections has risen to 3,840, and the death toll has reached 96 as of 5 May (based on Government information and Johns Hopkins University data). In relation to its population of roughly 620,000, the ratio is 158 per 1 million inhabitants, which is less than a quarter of that of Belgium and half of that of France, but twice as high as Germany. Policy responses to the COVID-19 outbreak were introduced in the Grand Duchy by mid-March and are in line with the practice of other countries. The government announced a lock-down of public life, with schools and higher-education institutions effectively closed down for two months, retail and commercial activities limited to the essentials (e.g. grocery or pharmacies), and also international travel reduced to a significant extent. The capital city, normally very busy on workdays, exudes a Sunday morning feeling of calm and silence.

Economic life has come to halt to a significant extent, and neighbouring countries such as France or Germany have introduced border controls precluding crossing the border without proper reason (chiefly commuting to essential work). The national flag carrier airline Luxair has suspended all passenger travel for two months at least, while cargo planes are still busy, which is not least due to the specialisation of Luxembourg’s huge cargo centre on the supply and distribution of pharmaceutical products.

The government has mobilised subsidies and credits in a range of €10.4 billion for stabilising the national economy. A recent contribution of Luxembourg research institutions on short and mid-term consequences of the COVID-19 outfall and the related shutdown comes to a rather sceptical view (Research Luxembourg 2020). Even if the economy were to get back to its previous state in the foreseeable future, the recession due to COVID-19 is likely to be deeper than what was the outcome of the 2008 financial crisis. Unusually frankly, it is stated that ‘the risk of a systemic collapse of the financial system both globally and at the European level cannot be excluded.’ (Research Luxembourg 2020, p. 3).

The shutdown has demonstrated a particular two-fold vulnerability of the small state against shocks like a global pandemic. First, there is a far-reaching connectivity issue: mobility of all kinds that are essential for its open economy also bring the virus to its territory. Indispensable to the Grand Duchy of Luxembourg is the now 200,000-strong workforce (almost half of the national labour market) that crosses the national borders every workday in order to keep the whole business model going. While small states lack domestic markets and have a limited pool of local talent, they rely on interregional and international pools of highly skilled labour, mobilised according to their cross-border location. Hence accessibility and infrastructure policy are crucial here. Luxembourg’s unique position – or better, positionality – as a key mediator and broker between different national powers within international systems, most importantly the EU, also relies on this workforce. In addition, the Luxembourg-specific division of labour between qualified foreign job holders that occupy a variety of relevant positions in basic sectors and the private market economy on the one hand, and nationals who have the privilege of unusually highly paid employment in state and municipal sectors on the other hand may not work in perpetuity, if the commuter inflow continues to be disrupted for a longer period.

Even more critical is the state of the services sector in general and the financial marketplace (‘la place’) in particular. Coronavirus arguably brings the biggest threat to Luxembourg’s competitive position, which is built on the concentration of financial resources successfully acquired over the last three to four decades. What started with offering partly secret, partly legal tax advantages (and thus attracted massive savings and investment flows from neighbouring countries) became a fully-fledged global financial centre including investment funds, insurance, legal advice and more recently also fintech services. This machine contributes massively to the country’s budget line. Keeping it going requires a global economy that operates by separating real economy from the financial system, a circuit of earnings and added values that are bundled in tax havens and other specialised domains. Such a business model is highly vulnerable to disruption as the related ecosystems require face-to-face communication, which is and will be severely curtailed. The prospect of public bailouts of
major global corporations elsewhere could be associated with political pressure to stop shadow-financing and conform to national taxation, which would effectively dry out the investment flow into financial market places such as Luxembourg. The serious medium-term question is whether and how specialised financial enclaves can develop a sense of resilience at all (see Brunnhuber et al. 2005; Dörry & Schulz 2018).

The fact that globalisation is now increasingly questioned poses further threats to intermediates that rely on the seamless flows of people, commodities, finance, or the hosting of governmental functions (Credit Suisse Research Institute 2016). With world trade volumes already decreasing recently, further constraints would challenge the niche-economies of flows quite heavily. This is not only important for the services industries, but also tends to challenge Luxembourg’s role as physical interface in global economic networks. The small country hosts an important cargo centre for international freight transshipments and has also developed a logistics cluster – making economic gains from circulation. However, ‘when globalisation comes to a halt, we’re done’ was the statement of a local logistics executive describing the risks borne in this node in global networks associated with any change to the prevailing economic framework conditions. Even though a landlocked country, Luxembourg also engages in maritime services and finance; it hosts a ‘Freeport’ – a fortified warehouse for storing collectibles of highest value, which is the most recent strategy to capitalise on flows.

Second, the extractive mode of economic development is associated with a rising pressure on the built environment, which is no surprise given that the small state’s population is currently increasing by 100,000 every seven to eight years. For the economic interests of both international institutions and local governments and also, particularly, land holders who profit from this pressure, this has put an enormous development strain on the small and topographically difficult terrain of the capital city. As a consequence of rocketing demand, the real-estate market seems completely overheated particularly in the booming capital, with sales prices and rents being twice as high on average compared to markets in the neighbouring countries. Large-scale urban projects and the strong role of private interest in the development process have made urban integration hardly possible. The outbreak of COVID-19 revealed, first, that if the country’s business model would be severely disrupted, a major real-estate crisis could be inevitable. Second, it became clear that the massive concentration of land uses, in combination with a daily doubling of the working population, exposes a high number of people to environmental risk. Possible infections are only one of these, while air pollution is a much more established concern in cities that are built on flows and circulation.

In light of the strong economic and demographic growth and its spatially uneven outcomes, there is a long-standing debate as to how mitigate the dynamics of the capital city and its surroundings, compared to the sparsely populated rest of Luxembourg. A first soft vision of a more decentralised development pattern of the country had been presented already 15 + years ago (the so-called Integrated Concept for Regional Planning and Transport (IVL)). According to this concept, inspired by decentralised concentration, the south of the country with Esch-sur-Alzette and Belval at its core and the still-envisioned Nordstadt in the North were supposed to provide a more balanced spatial pattern in the Grand Duchy, by moving growth pressure away from the crowded areas of the capital. At the local level, this idea of decentralisation had to be accompanied by a certain degree of concentration, which is usually justified with the need to realise a critical mass of agglomeration, in order to create liveable urban districts. However, the demand for office space has been targeted predominantly towards prestigious locations in Luxembourg City, so decentralisation could not counteract the current centrifugal market mechanisms. Therefore, the regional imbalances are complemented by local tensions between office and housing land uses, caused by the massive concentration of office space on sites such as the European and banking district Kirchberg, the science city Belval (a former site of heavy industry), or the new office town Cloche d’Or in the southern suburbs of the capital (Hesse 2016).

The specific governmentality of the small state, effectively a city-state formation, can
probably be best described as ‘making the most of smallness’ – the term Grydehøj (2011) used to signify the competitive advantage of island states. Attracting flows of all kinds is central to this strategy, and it was only possible due to the aforementioned particular governance conditions – a somehow extraverted urbanism which has made city and country prosperous and is associated with some sort of introverted governance. Niche sovereignty enabled the government to create a competitive advantage compared to other (larger) cities in federal states, such as the neighbouring countries. Close links between state and local decision-makers, or even convergence between the two in their much-praised ‘ecosystems’ or economic clusters, have been a defining feature in the past and were used to their maximum advantage. The big question is whether the strange combination of fine-grain regulation on the one hand and lack of strategy on the other (overregulated and understrategised simultaneously), which is practiced in planning, would suffice in order to deal with the economic and geographical risks that are associated with COVID-19.

ARE THERE ALTERNATIVE GEOGRAPHIES TO, OR WITHIN, RELATIONAL URBANISATION?

The need to understand planetary urbanisation’s role in the spread of contagion has been identified long before COVID-19’s zoonotic leap into human transmission at a market on the periphery of the sprawling Wuhan mega-city. The changing geography of contagion, considered historically from the Spanish flu of 1918/19 to more recent epidemics of SARS and Ebola, demonstrates the inherent relevance of economic, logistical, flows-oriented relationality to the patterns and magnitudes of their spread (Ali & Keil 2008; Connolly et al. 2020). Capitalist urbanisation produces at scale not only the conditions for epidemiological outbreaks in burgeoning city regions globally; it also provides the framework for their proliferation via global networks of production and consumption. Germany’s first case occurred in the urban periphery at a Bavarian car manufacturing industry site due to transmission from a Wuhan-based expert’s business travel; Northern Ireland’s first case involved a traveller arriving home from a skiing holiday on a Belfast-bound bus from Dublin airport. The patterns of contagion reflect the urbanisation processes which precede them, shining a spotlight on relationality in virtually every case.

As Ali and Keil (2008) have already identified, these conditions suggest that pandemics start on the ‘edges’ of cities and spread inwards. This problematises the present geographies of relational cities per se, both internally and externally, as intermediaries of flows between the tier of global cities and the regional and local levels whose edges can be situated quite remotely, and are thus difficult to control. The specific geographies of relational cities render them particularly vulnerable against the lock-down consequences of the pandemic. However, the lock-down also brought an entirely new situation to the two countries, their economies and their capital cities, which have experienced striking growth rates in recent times, only temporarily interrupted by the 2008/09 financial crisis. In the light of this ‘new normal’, the weaknesses and vulnerabilities highlighted by the impact of pandemic-related lockdown and the associated economic effects leads us to consider whether the COVID-19 situation does not only call for proper responses in short term, but also poses the question in how far it can become an opportunity to consider alternative trajectories and geographies for relational cities.

In terms of economic development, it is difficult to foresee the recovery of the two capital cities, since this depends almost entirely on the recovery of the global economy. Given the vulnerability of long-distance supply chains, some countries are discussing proposals to shorten and re-nationalise their networks. However, economic self-sufficiency in nation-states whose total population is in the range of other countries’ metropolitan regions seems unlikely. Relational territories are too small for establishing a sufficient internal market, so these small units simply lack sufficient demand for creating a reasonable domestic base on this level of
scale. Moreover, Ireland’s prospect is complicated further through the unsure future as regards Brexit, while it seems difficult to imagine that the high standard of living of Luxembourg’s wealthier consumers could be satisfied through local or regional sourcing. Diversification of the economy is another need about which the two governments already know, but would effectively take decades to materialise any robust impact.

In terms of urbanisation, alternative geographies for relational cities would aim to create a new spatial equilibrium across both internal territorial organisation and external, global linkages created through relational posititionality. ‘Equilibrium’ is understood here not in the sense of neo-classical spatial economics, but as a signifier for a more just, balanced development of countries whose capital cities have flourished quite significantly in the recent past – partly to the benefit of the whole country, partly to its cost. Thus in either case a more balanced situation between the power of the capital city and the rest of the two small states would be needed. This new balance would render the cities more robust and less vulnerable and could unfold in three different ways: First and foremost, the symbiotic relationship between labour and housing must be rebalanced to address the general unaffordability of land and property which creates a magnified, long-term housing crisis in both cases. In the context of a small and constrained but highly connected relational space, the mobilisation of land seems crucial for mastering this challenge. While orthodox (neo-)liberal commentaries have regarded rising land prices and the resulting housing unaffordability a ‘natural concomitant of success’ (The Economist 2015), a glimpse at the housing situation in both cities shows that these situations are an entirely created outcome of the particular governance framework which underpins relational status. Both cities are suffering massively from their economic success: while wages have remained stagnant for large sections of the workforce in each city, property prices (and working population) continue to rise and these increases are passed through to tenants who in turn are expected to part with increasing shares of their incomes. As ‘generation rent’ inherits this situation and sees few pathways towards homeownership in both cities, there is a need both to tackle the speculative and professional landlordism which allows rents to spiral out of the affordability bracket for workers, and to re-evaluate the meaning of tenancy to become a long-term, secure tenure in practice. Moreover, the state in both cases needs to reverse a seemingly ingrained laissez-faire approach to constructing or acquiring a public housing stock with enough mass to have a cooling effect on the speculative property market. As nation-states with much control over the levers of spatial planning in their capital cities, they are likely to find themselves with at least some capacity, notwithstanding the anticipated slowdown following the pandemic, to grasp this nettle.

The second aspect of these alternative geographies is to address why the regional-city balance written into spatial planning policies for at least two decades in both Ireland and Luxembourg has either failed or not been addressed. The relational growth trajectory creates opportunities for decentralised planning which are currently ignored, but which could prove transformative for the ‘commuter belt’ areas around both cities, which in the case of Luxembourg is transnational and cross-border. There is also a need to shed critical light on density, which in both cities is (mis-)used as a signifier of sustainability, while in fact serving best the interests of property-led development and its shareholders. The types of ‘density’ common to the neo-liberal city are mirroring those at the much more populous major centres of pandemic in New York City and London. Grappling with density, which admittedly is only one factor of the current spread of disease-related fatalities, combined with a large intervention in public housing and infrastructure could reorient future development towards a more sustainable way of managing population growth through decentralised concentration. This would make the two cities more resilient in both disaster-prevention and management terms, and also concerning their longer-term stability.

Third, becoming cognisant and transparent about the hidden political power of the relational city growth-machine to supplant local requirements in favour of valorising the global-facing connections it creates would give relational cities the breathing (and thinking)
space to consider properly the problems of its rapid, fragmented and uneven development. In both cities considered in this paper, the modalities of their governance make it difficult for political and civil organisations to have impact (as opposed to mere ‘participation’) in spatial planning and more generally to link their experiences of this with the internationalising, global-facing economy which imposes itself spatially around them. When Keil and Ali (2007) discuss the specific ways of governing the ‘sick city’, there are some lessons to be learned for dealing with relational cities in the ‘new normal’. The trait for ‘small-but-global’ cities which separates them from ‘global cities’ is clear and categorical: the distance between the local and global scale may be narrow when it comes to high-wage recruitment for specialist roles or choosing schools for children, but conversely very wide when considering the relationship between inner-city communities and the continual erosion of their space for office and speculative housing development.

Alternative imaginaries, however, remain conceptual unless they are geographically practicable and politically viable. Conversely, the forces advocating a return to business-as-usual are strong. Wishful thinking can also provoke unrealistic expectations of emancipation, and the power of political rhetoric can realise unintended – and occasionally perverse – outcomes on topics like pandemics where human emotion and community sentiment is a major factor. The latent propensity for the situation to seriously worsen epidemiologically and/or economically at the global scale is never out of sight.

Is it worth talking about alternative geographies in Dublin and Luxembourg in this context? Our broad reflection is that COVID-19 is likely to pose serious questions about the ‘business model’ at play in both cases. However, it may be unlikely to provoke a structural re-thinking of relational urbanisation or any large-scale departure from continued exploitation of the ‘borrowed size’ positionality gained in recent decades. We contend that the pressures these unevenly affluent small-but-global places have encountered and responded to in the context of the COVID-19 pandemic highlight some of the structural vulnerabilities which have resulted from enthusiastic application of neo-liberal doctrine. They also highlight the valuable role played by sections of the labour force, public sector and productive economy which have been consistently devalued in the same framework.

We argue that there is a reasonable prospect that a decisive move away from the neo-liberal underpinnings of our cases’ approaches to health, labour and housing could flow from the COVID-19 pandemic with sufficient magnitude to see a path for alternative geographies emerging. For Dublin and Ireland, the continued role of private sector actors in an under-developed health system is the most obvious point of contention flowing from the pandemic, particularly given the amounts handed over in rents during the period of temporary nationalisation and the comparative benefits of the universal NHS system in Northern Ireland. The strong likelihood of economic slowdown dampening labour prospects in the economy will present opportunities for Ireland’s large-but-weak labour movement to find its role in the relational economy after having been sidelined since the financial crisis put paid to the ‘social partnership’ model of the old economy. The politicisation of the housing issue, particularly in the rental sector, is persistent: measures including better protection for tenants, property tax and the need for a public housing stock were already on the horizon before COVID-19 and seem fairly unavoidable in its aftermath. Taken together, these three issues’ cumulative impact on the Greater Dublin region may call for a redistribution of state competences towards a greater role for city authorities.

For Luxembourg, the health questions in a post-pandemic open border economy are perhaps of a lower magnitude but are wider-ranging than Ireland’s: the complex multi-lingual, regulatory and geographically misaligned organisational footprint of the Grand Duchy’s health system poses some constraints on capacity and cost of provision, as does the fact of a large proportion of health workers residing beyond the borders. On labour (and similarly to the Irish context), Luxembourg’s large-but-weak trade union structure has the pretext to find its new role in the transformed economy, particularly in recruitment among the service labour surrounding (if not actually inside) the advanced service economy. Housing too is highlighted further by the pandemic, with
the undisputed requirement for more social housing and more equitable relationships with municipalities in neighbouring jurisdictions being immediate lessons.

While these movements taken separately might seem disparate and limited, their cumulative impact in the small jurisdictions in consideration could mark a decisive move away from market-oriented solutions for burning social problems. As vulnerable as these relational economies are to economic shock, at least for the moment they have the capital and competences to address the major items in these areas. The issue comes down to political will; our calculation is that there is a good chance that continued relational economic relevance (if not growth) for these cities will require state intervention in a more socialist direction than hitherto imagined for both nation-states and their economic engines – their capital cities. Moreover, these alternative geographies for relational cities point to a rebalancing towards a less polarised spatial setting and an enhanced role for planning and for the state itself. The doors are wide open for experimentation, even if this crisis imposed itself involuntarily on the two countries and cities. The question is whether this chance will be taken, and by whom, for adjusting the places’ trajectories towards a more robust, resilient and equitable direction.

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