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Introduction

Jane Jacobs is a legend in the field of urbanism and is the subject of books, plays,¹ documentaries,² and even an opera.³ She is famous for fiercely challenging and profoundly impacting urban planning and design in the late twentieth century. But this book, whose title comes from a passage in her classic *The Death and Life of Great American Cities*, is about what we can learn from Jacobs's major writings about economics and social theory. Her contributions to these areas are fundamental and game-changing for theory and policy, but they are largely neglected. I aim to rectify that.

By “we” I mean the interested reader and the admirers of Jacobs, as well as professional economists and social theorists who are probably unaware of Jacobs's important contributions to their fields of study. By her “major works” I refer to *Death and Life of Great American Cities*, *The Economy of Cities*, *Cities and the Wealth of Nations*, *Systems of Survival*, *The*

¹“Boozy: The Life, Death, and Subsequent Vilification of Le Corbusier and, More Importantly, Robert Moses.” See <https://playbill.com/article/robert-moses-gets-deconstructed-again-with-off-broadway-transfer-of-boozy-may-1-28-in-nyc-com-125639>. Accessed 6 May 2023.

²“Citizen Jane: Battle for the City.” See <https://www.imdb.com/title/tt3699354/>

³“A Marvelous Order: an Opera about Jane Jacobs and Robert Moses.” See <http://mosesjacobsop-era.com/>. Accessed 6 May 2023.

Nature of Economies, and *Dark Age Ahead*. I will spell out in detail what I mean by “economics” and “social theory” in Chaps. 2 and 3, and in the chapters that follow, I explore in some depth Jacobs’s contributions to those areas and why they are important.

1 An Afternoon in “The Annex”

I had the privilege of spending an afternoon talking with Jane Jacobs in February 2004, two years before her death at the age of 89. The meeting was arranged largely by Gert-Jan Hospers, an economic geographer currently at Radboud University of the Netherlands. It included, besides Hospers and myself, my friend and colleague Pierre Desrochers, a geographer at the University of Toronto at Mississauga, and economist Hiroko Shimuzu.

The four of us, two economists and two geographers, waited nervously for the greatest urbanist of the twentieth century and one of the most iconic and influential policy shapers of our time,⁴ to answer her doorbell. As we stood on the porch of the vintage two-story house in “The Annex,” a neighborhood in Toronto known for its Bohemian character, I pondered the long list of questions we had come up with at a nearby coffeehouse. The door opened and there stood before us a woman in her mid-eighties with a gray, page-boy haircut wearing a fuzzy, multicolored sweater, smiling benignly. She was leaning against a walker (she had recently broken her hip) yet was taller than I expected. I was face-to-face with Jane Jacobs, whose thoughts, words, and deeds changed the face of the modern city. That moment and the long conversation that followed is one of the peak moments of my life.

Jacobs had recently finished the manuscript for her final book, *Dark Age Ahead*, had not yet begun her next book project, which was never completed, and had just done her tax returns. Our timing could not have been better, as I later learned that while working she was extremely focused and refused to grant interviews. We had prioritized our questions because we didn’t know how long we could visit and were mindful not to

⁴According to Planetizen, <https://www.planetizen.com/features/95189-100-most-influential-urbanists>. Accessed 6 May 2023.

outstay our welcome. But each time we made to leave, Jacobs made it clear she wanted our conversation to continue. We were surprised and quietly ecstatic. So over tea and cookies for nearly four hours, during which her deliberate voice never once faltered and her mind never once wandered, she cheerfully covered a variety of topics. In addition to cities, we talked about economics, social theory, and public policy, much of which has found its way into this book.

During that unforgettable meeting, I asked Jacobs where she believed her main intellectual contribution lay, and she answered without hesitation, “Economic theory!” What makes my task here both difficult and necessary is that, in my experience, those who know of Jane Jacobs, and even those who know her work well (although few economists do), tend to think of her almost exclusively in terms of her trenchant writings about and fierce activism against heavy-handed urban planning and top-down urban design; or they are rightly inspired by her commitment to people in their own communities “self-organizing” to address local problems. Some also cite her to support environmentalist causes (despite her often acerbic criticisms of environmentalists), the historic preservation of entire neighborhoods and districts (despite a paucity of published evidence of her backing the practice) or various forms of “localism” (despite the role of global, inter-city trade in her theory of economic development). Or they interpret her as concerned mainly with political theory.⁵ Most are unaware of the primacy she places on her contributions to economic theory, with its appreciation for unplanned order, nor recognize the deeper social principles that undergird her economics.⁶

⁵ For example, Nathaniel Rich wrote in *The Atlantic* in 2016: “Urban life was Jacobs’s great subject. But her great theme was the fragility of democracy—how difficult it is to maintain, how easily it can crumble. A city offered the perfect laboratory in which to study democracy’s intricate, interconnected gears and ballistics.” I share Steven Johnson’s sentiments: “Since *Death and Life*, the celebration of sidewalk culture has become the *idée fixe* of all left-leaning urbanists But the irony is that many of the same critics who cited Jacobs as the initial warrior in the sidewalk crusade misunderstood the reasons why she had embraced the sidewalk in the first place. And that is because they saw the city as a kind of political theater, and not as an emergent system” (Johnson, 2002: 94).

⁶ An important exception to this is the geographer Richard Harris, especially his chapter, “The magpie and the bee: Jane Jacobs’s magnificent obsession,” in Page and Menell (2017). Harris sees “major continuities in Jacobs’s writings” much as I do. “She explored the social and economic aspects of this insight at different scales, and presented her conclusions so systematically that they amount to a theory of the significance of urban form. . . . contrary to a common perception, Jacobs’s purpose was largely theoretical. It is in this light that the unitary character of her writings about cities should be viewed” (Ibid: 66).

It is perhaps an easy mistake to make since Jacobs never held an academic appointment or an advanced degree in economics. Indeed, she held no formal degree beyond a high-school diploma (Laurence, 2016). She did take courses at Columbia University that interested her, but as a non-matriculated student—“such as biology, chemistry, constitutional law, the development of legal institutions, geography, geology, patent law, philosophy, sociology and zoology” (Desrochers & Szurmak, 2017: 7)—and spent the beginning of her career amid the Great Depression working in several short-lived, clerical jobs. During World War II, beginning in 1943 and continuing for several years thereafter, she wrote articles for Russian consumption for the Office of War Information. Then, in 1952, she became a staff writer for *Architectural Forum*, where she learned on-the-job about architecture and urban planning, with help from her architect-husband Robert Hyde Jacobs Jr., but largely from her own exhaustive research (Ibid: 10–11). However, there have been other notable economists, especially before the hyper-credentialism of today, who, like Jacobs, held no advanced degree or academic position, but whose economic contributions have been widely recognized—David Ricardo, John Stuart Mill, and Henry George come to mind.

A glance at the titles of her books makes her deep and abiding interest in economics obvious: *The Economy of Cities*, *Cities and the Wealth of Nations*, and *The Nature of Economies*.⁷ And in her most famous book, *The Death and Life of Great American Cities*, she describes in detail, à la modern social theory, how physical design, social institutions, social capital, and trust enable people to discover and pursue their individual plans at street level, and how doing so enables the city in which they are

⁷ Alice Sparberg Alexiou (2006) makes a similar point in a chapter, “Economist without Portfolio,” in her accessible biography of Jacobs, *Jane Jacobs: Urban Visionary*. She touches on many salient points of Jacobs’s economics, though not to the extent or level of detail offered here. It also makes the unfortunate but common error of confusing Jacobs’s concept of “import replacement” with the quite different and dangerous policy of “import substitution” (Alexiou, 2006: 176), which I explain in Chap. 6.

This is also a good place to mention other works that have drawn attention to Jacobs’s contribution to economics. I have indicated that there are not many, although three are particularly worthy of mention. First, Pierre Desrochers and Gert-Jan Hospers (2007) whose perspective is close to my own and emphasize Jacobs’s contribution to the theory of economic development. The second by David Ellerman (2007) also emphasizes her contribution to economic development. The third is an important recent publication by Charles-Albert Ramsay (2022).

embedded to grow and flourish commercially and culturally in complex, dynamic, and unpredictable processes. She explains how innovation—in commerce, science and technology, and culture—is central to that flourishing. She explains, in a way that in my opinion rivals or surpasses most economic theorists, how and under what conditions entrepreneurial innovation takes place and how that may be undermined by attempts to central plan at the municipal level.

It is true that Jacobs boldly announces in the first sentences of *Death and Life* that “This book is an attack on current city planning and rebuilding...[and] an attempt to introduce new principles of city planning and rebuilding” (Jacobs, 1961: 3). But it is a great deal more. But her attack and the “new principles” she substitutes for the old are grounded in a profound understanding of the *economic* nature and significance of cities, and her analytical framework is built around that understanding. Jacobs makes this clear in the introductory chapter.

While Part I is principally about the social behavior of people in cities, and is necessary for understanding what follows, *Part II is principally about the economic behavior of cities and is the most important part of this book* (Jacobs, 1961: 14, emphasis added).

It is understandable but regrettable that, despite her explicit attempts to highlight the economic core of her most-famous book, Jacobs’s brilliant discussion in Part I of the “sidewalk ballet” and “eyes on the street,” have attracted and sustained the most attention. And when her admirers do mention “the generators of diversity” that Jacobs sets out in Part II they typically interpret this as racial diversity (important as that is), which some critics (Schubert, 2014) have maintained Jacobs gives less attention to than she should have in 1961, and not the *diversity of land-use* that is explicitly the focus of *Death and Life* and the context from which emerges the safety and security she argues is the *sine qua non* of large-scale social cooperation (e.g., Jacobs, 1961: 144). Or they dwell on the importance of “population density,” without noting that “high concentrations of people” are for her only one of the four generators of diversity that together generate land-use diversity (e.g., Jacobs, 1961: 183, 214). Or they misinterpret another condition, “mixed uses,” in which her

emphasis is on mixed *primary uses* that attract outsiders into an area—such as residences, offices, museums, government offices, theaters—and not, as is typically done today, on what she calls “secondary diversity” that merely serves persons already attracted into that area, such as diners, supermarkets, dry cleaners, and drug stores (e.g., Jacobs, 1961: 152, 162). But the main thrust of Part II of *Death and Life*—which explains how population density and mixed primary uses interact in complex and unpredictable ways with “short blocks” and “old and new buildings” to create the external conditions for economic development—is usually sketchily explained or ignored all together. The same can be said for Jacobs’s discussion of “organized complexity,” the orderly dynamism that maintains a stable interdependence among those conditions, which is the core of the final chapter of *Death and Life*, “The Kind of Problem a City Is.” As I argue in Chap. 3, “organized complexity” is the conceptual complement to what social theorists call “spontaneous order” (Ikeda, 2020).

The neglect or misinterpretation of the central concerns of such a famous figure should thus be irresistible low-hanging fruit for an academic familiar with her works. At least it was for me.

2 Encountering Jane Jacobs

I became interested in Jacobs’s writings around 1997. I had just published my book, *Dynamics of the Mixed Economy: Toward a Theory of Interventionism*, which was about why knowledge and incentive problems lead public policies systematically to create negative unintended consequences. I had written it at a high level of abstraction and one of my respected colleagues, George Mason University economist Peter J. Boettke, suggested I try applying the dynamics of interventionism approach to more concrete, urban problems, looking for example at why housing policies, functional zoning, and large infrastructure projects keep generating outcomes contrary to their proponents’ intentions. About the same time, Canadian geographer Pierre Desrochers, who was familiar with my interest in public-policy failure, urged me to read Jacobs, whose best-known book had in fact been sitting unread on my bookshelf since graduate-school days. Encouraged by Boettke and Desrochers, I finally took *Death and Life* down and was captivated from that first declarative

sentence. I was also fascinated by how Jacobs's message and style of analysis so strongly resonated with the theoretical approach I had applied to public-policy analysis in my book and with the economic framework that lay behind it: market-process economics.⁸ I have since devoted more than two decades to learning from Jacobs and to integrating her ideas into my writing and teaching.

Lest my intention to discuss the economics of Jane Jacobs scare away the uninitiated, let me say that, to be honest, the field of "urban economics" for a long time never interested me. It always sounded like an area too obscure and specialized for my tastes, which ran to what a colleague once termed "big think." But for me *Death and Life* opened a new way of thinking big about the world, as it has for countless readers, in a strange but, at the same time, a very familiar way. Since this journey began, the fields I have been most closely connected with academically are urbanism and urban economics. The truth be told, however, my interest still doesn't lie in urban economics *per se* and I have never made a formal study of it, although I have read textbooks and articles on urban economics and learned selectively from concepts that are unique to the field (e.g., gravity models, central-place theory, building economics). But I am simply an economist who in mid-career became fascinated with cities as socioeconomic phenomena and who loves observing, thinking, teaching, and writing about cities. Cities are now the starting point of my interests in most areas of economics, micro and macro, and in most issues of theory and policy.

Unfortunately, unlike an urban economist, my idiosyncratic and eclectic tastes have meant that I have serious trouble explaining to people what it is that I do. The best I can come up with is the awkward phrase, "I'm interested in and write about the nature cities and their significance for cultural and economic development from the perspective of economics and sociology," which usually draws a blank stare and a quick change of subject. In fact, the best, perhaps only way I can satisfactorily explain, at least for myself, what it is I do and why I do it is to write a book like this. I blame Jane Jacobs.

As my tortuous description above suggests, I take seriously the contributions of sociology and, thanks to Jacobs, have overcome an aversion to

⁸For one view of "market-process," see Israel M. Kirzner's "The meaning of market process" in Kirzner (1992).

sociology prevalent among my fellow economists. I have learned important and useful things from authors such as Max Weber and Mark Granovetter, and social theorists and philosophers such as Georg Zimmel and Adam Seligman. I have also of course learned from architects and designers such as Léon Krier, Rem Koolhaas, Christopher Alexander and from urban planners such as Kevin Lynch, Alain Bertaud, and many others. All of these and very many more contribute, with the usual caveat, to the pages that follow.

That first encounter with Jacobs's work took place during a sabbatical from Purchase College, SUNY, my academic home base from 1990 to this day. On my return, in order to keep alive the fire that studying Jacobs had lit, I created a new course, which Purchase's marvelous flexibility made easy. I called it *Cities, Culture, & Economy* and I have taught it regularly since 1998. The syllabus for that course, which has evolved but remained fairly constant over the decades, broke the course down into several parts: The Nature of Cities, The Microfoundations of Cities, The Evolution of Cities, Trust & Social Capital in Cities, Cities Culture & Capitalism, The Reformist Origins of Modern Planning, Modernism & Urban Planning, Classic Writings in Urban Design, and Current Issues in Urban Planning. My original strategy for this book was in fact to transform that course syllabus into a table of contents for a book, but as I worked and reworked the outline over more years than I care to say, it has emerged in its present form, vastly different from that syllabus, but in the same spirit.

3 What's in This Book

In terms of structure, in addition to the present chapter, Chaps. 2 and 3 constitute the introductory part of the book, the former gives an overview of Jacobs's contributions to social theory and economics in particular, while the latter introduces some of the main principles of her social theory in the context of the trade-off between scale/design and complexity/spontaneity. Chapters 4, 5, and 6 present the core theoretical framework of Jacobs's socioeconomic theory together with my interpretation. Chapter 4 discusses the importance of diversity and heterogeneity (of

people, places, and things) in Jacobs's work and explains how coherence and complementarity can emerge from them, as well as the elements that Jacobs identifies as the generators of land-use diversity. Chapter 5 focuses on the role of social networks in providing social order in a city, which are the main sources of coherence in Jacobs's earlier work, and shows how explicitly including the concept of entrepreneurship greatly enhances the explanatory power of the social-network approach; while Chap. 6 focuses on Jacobs's argument for how a great city becomes a primary source of innovation via "import replacement" and "import shifting," and it explicitly adds elements of market-process economics to round out that argument. The final three chapters details how Jacobs's critique of urban planning and policy flow from the socioeconomic framework developed in the previous chapters. Chapter 7 looks at large-scale urban planning strategies that Jacobs herself criticizes, Chap. 8 at more microlevel policies and regulations such as zoning and housing policies, some of which Jacobs does not explicitly address, and Chap. 9 at present-day projects and proposals for urban planning and regulation, including New Urbanist and Startup Society plans. Chapter 10 offers a synopsis of Jacobs's social theory, economics, and policy recommendations and suggests areas of further study.

I hope this book offers a new and useful way to look at and think about cities, to appreciate their nature and significance for economic development and for social and cultural change, and to better see the limits of deliberate design, both private and governmental. I hope it clarifies the fundamental connection between markets and cities, and alerts professionals in economics (especially those working within a market-process framework) and in urbanism (especially among admirers of Jane Jacobs) how their respective perspectives on social institutions and processes can inform each other. And I hope it shows that Jacobs's ideas on economics and social theory are deeper and theoretically richer than most of her admirers appreciate, and how in particular it dovetails with issues of concern to market-process economics and its underlying social theory.

Finally, I should say that in addition to not being an urban planner or architect or an urban economist even, neither am I strictly speaking what you would call a "Jane Jacobs scholar" the likes of Peter Laurence, whose *Becoming Jane Jacobs* (2016) is in my opinion thus far the definitive

biography of Jacobs, or of Pierre Desrochers who helped launch me on my Jacobsian odyssey and who with his encyclopedic knowledge could tell fascinating details about Jacobs's life, academic studies, and intellectual influences.⁹ To be perfectly honest, I often resort to Googling to remind myself about Jacobs's birth and death dates, when and what she wrote for various publications, or when and where she lived in my own neighborhood of Brooklyn Heights. When I give public lectures, I usually have to look these up to avoid embarrassing myself in front of audiences who often know more about these things than I do.

I do think, however, that I can accurately be described as a "student of Jane Jacobs." I have thoroughly studied her major works and many of her lesser-known essays, thought and rethought, and written about her ideas, and have indeed taught them, now for most of my professional life, and have learned from her to better understand how the social world works and why. In this I can confidently say that I have succeeded as well as anyone.

After reading this book you may disagree. Jacobs is a subtle thinker though sometimes inconsistent, so it is certainly possible to interpret her writings in different ways to useful effect. I am of course confident in my interpretation, though it is perhaps not the only one possible. Different people can draw (and have indeed drawn) different lessons from Jacobs's work and so we might therefore disagree, perhaps strongly, on the meaning and especially the implications of her writings. My great hope is that, after reading this book and comparing it with Jacobs's ideas as she herself expresses them, formally in print, anyone who may still disagree with my analysis and conclusions will nevertheless agree that there is strong textual evidence to support them.

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⁹ See his two-part essay on Jacobs's methodology, coauthored with Joanna Szurmak, "Jane Jacobs as Spontaneous Economic Order Methodologist: Parts 1 & 2," *Cosmos + Taxis*, (2017) Vol. 4 No. 2/3: 2–59.

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