



9

Cities of the Future

Jacobs's critique of urban planning and her suggestions for improving cities flow from an analytical framework based on a set of coherent socio-economic insights. These are, namely, that a city is an institution indispensable for peacefully coordinating the plans of myriad, self-interested strangers with imperfect knowledge; that a city is a natural unit of economic analysis, the principal locus of innovation, a system of organized complexity, and a spontaneous order; that locals tend to know better than outsiders about the problems and opportunities, large and small, in their own urban *milieu*; and that with limited outside guidance ordinary people can cooperatively and effectively address them with intelligence, resourcefulness, and creativity.

In the last chapter we examined the limits of urban micro-interventions from this framework. Here I would like to address a different but related set of questions: To what extent is it feasible to consciously plan for "urban vitality," i.e., to promote or foster the experimentation and creativity essential for a real, living city? How much political authority do we need to accomplish this? How workable are some of the recent, imaginative proposals for city planning and rebuilding when we view it through a Jacobs-cum-market-process or Market Urbanist lens?

To critically examine these proposals it would be best first more carefully to distinguish “governance” from “government.” Because some proposals may give the false impression that, because they suggest formal rules and explicit commands should be minimized or even eliminated altogether, this means minimizing or eliminating rules of any kind. To avoid this misunderstanding I will need to talk about the nature of different kinds of rules and how those differences relate to the distinction between governance and government. To lay the groundwork for all that, I will also take a closer look at some of the other concepts I have been using throughout this book.

1 Broader Conceptual Lessons and Necessary Elaborations

Again, I don’t presume to speak for Jacobs on the issues and proposals that I raise here, except where she has herself written about them, but I do draw inferences from my understanding of her economics and social theory. Toward that end, there are several conceptual lessons we might distill from earlier chapters.

1.1 Planning for Vitality

In Chap. 4 we saw how, by promoting the four conditions for generating urban diversity (multiple attractors, population density, street intricacy, and cheap space), Jacobs argues that “planning can induce city vitality” (Jacobs, 1961: 14).

Planning for vitality must stimulate and catalyze the greatest possible range and quantity of diversity among uses and among people throughout each district of a big city; this is the underlying foundation of city economic strength, social vitality and magnetism. To do this, planners must diagnose, in specific places, specifically what is lacking to generate diversity, and then aim at helping to supply the lacks as best they can be supplied. (Jacobs, 1961: 408–9)

For Jacobs some form of government planning is indispensable for urban vitality. Cities need

...a most intricate and close-grained diversity of uses that give each other constant mutual support, both economically and socially...the science of city planning and the art of city design, in real life for real cities, must become the science and art of catalyzing and nourishing these close-grained working relationships. (Jacobs, 1961: 14)

But this comes more in the form cultivating the inherent creative forces of a living city—“catalyzing and nourishing” through zoning for diversity, for example—than through wholesale rebuilding.

Jacobs argues, however, that the urban planner lacks the “locality knowledge” to effectively plan on the scale and at the level of detail Le Corbusier or Moses aspired to:

To know whether it is done well or ill – to know what should be done at all – it is more important to know that specific locality than it is to know how many bits in the same category of bits are going into other localities and what is being done with them there. No other expertise can substitute for locality knowledge in planning, whether the planning is creative, coordinating or predictive. (Jacobs, 1961: 418)

She concludes that the government of a great city can effectively foster urban vitality, with an appropriate administrative structure that respects locality knowledge and a proper understanding of the nature and significance of living cities. The problem is that the vertical governance structure appropriate for a town or small city, in which governmental functions are mostly centrally directed, break down in a city of millions of people and dozens of distinct districts and neighborhoods. A centralized, vertical structure of administration cannot effectively transmit locality knowledge up through the chains of the municipal bureaucracy. Instead, a great city requires a different structure of government administration.

In short, great cities must be divided into administrative districts. These would be horizontal divisions of city government but, unlike random horizontality, they would be common to the municipal government as a whole.

The administrative districts would represent the primary, basic subdivisions made within most city agencies. (Jacobs, 1961: 418)

Jacobs argues that a horizontal administrative structure, for which she invokes the concept of “subsidiarity,”¹ would need to be more complex than a vertical one. Each district would have officials responsible for overseeing the provision of most public services and collective goods in that particular district including traffic, welfare, schools, police, parks, code enforcement, public health, housing subsidies, fire, zoning, and planning (Jacobs, 1961: 419) for effective governance. “City administration needs to be more complex in its fundamental structure so it can work more simply. The present structures, paradoxically, are fundamentally too simple” (Jacobs, 1961: 421). Not all municipal functions could be administered horizontally, however; Jacobs mentions “water supply, air pollution control, labor mediation, management of museums, zoos and prisons” (Jacobs, 1961: 421) to which we could add intracity roadways.

Jacobs argues that subsidiarity, along with greater patience and openness, would place planners in a better position to learn how locals use public space and that neighborhoods, districts, and cities are neither simple nor inherently disorganized. In short, they could obtain some of that locality knowledge. But Jacobs does not expand on why planners have a hard time making that adjustment. Why don’t central planners make the effort to learn about and appreciate locality knowledge? In *Death and Life* Jacobs blames their training based on the intellectual trends in the early twentieth century (Jacobs, 1961: 436).² This may be part of the explanation why, apart from sheer arrogance, this disconnect should persist.

¹“Subsidiarity is the principle that government works best— most responsibly and responsively— when it is closest to the people it serves and the needs it addresses” (Jacobs, 2004: 103).

²Her observations here are consistent with F.A. Hayek’s on the rise of what he calls “scientism” or the inappropriate application of the methods of the physical sciences to the social sciences (Hayek, 1942). This is the Cartesian rationalism or rationalist constructivism that we discussed in Chap. 7.

It is from F.A. Hayek and Israel Kirzner, however, that we are able to fill this gap. (No surprise since a core argument of this book is that the bulk of Jacobs's insights are highly compatible with and indeed essentially the same as Hayek's and Kirzner's social theory.) In this case, given the complex and changing nature of social reality and the inherent cognitive and epistemic limitations of the human mind, conditioned by the dispersed and contextual nature of knowledge relevant for planning by flesh-and-blood people (Hayek, 1948; Kirzner, 1992), central planners cannot *in principle* close the distance between their conception of orderliness and the facts relevant to those for whom they plan. Of course, in more general terms I have noted before that Jacobs partially recognizes this, too:

Central planning, whether by leftists or conservatives, draws too little on local knowledge and creativity, stifles innovations, and is inefficient and costly because it is circuitous. It bypasses intimate and varied knowledge directly fed back into the system. (Jacobs, 2004: 117)

With horizontal and polycentric governance, combined with a more modest scale and detail of plans, Jacobs believes urban planners may contribute to the life of a city. As Hayek et al. explain, the fundamental challenge for the planner is to recognize and respect the knowledge problem. So why don't they? Ideology and training may explain some of it, but there may also be a psychological factor involved, working in conjunction with the epistemic and incentives.

1.2 O-Judgments Versus S-Judgments

The fundamental error that planners make stems from treating a complex, spontaneous order as as though it were subject to extensive human design and direction. In other words, as a work of art.

Our concern, of course, is with urban planning and design, but as we have discussed, planners have historically made the same mistake in the areas of macroeconomic policy and system-wide economic planning: the pretense that a comprehensive, rationally designed outcome can be

realized by forcing it on a dynamically emergent system (von Mises, 1922; Lavoie, 1985; Boettke, 1990). All such approaches assume that planners possess sufficient knowledge and incentives to successfully adjust their plans to actual and changing conditions in the absence of coordinating institutions such as market prices or horizontal social networks.

But, again, why is it that urban planners typically fail to appreciate the underlying order of a city and the nature of its complexity? The political philosopher Bertrand de Jouvenel suggests an answer:

Thinking in general terms, let us consider an arrangement of factors that serves some purpose and is instrumental to some process. Let us call it an operational arrangement. A mind concerned with this purpose, well aware of the process, dwells upon the operational arrangement and finds that it might be made more effective by certain alterations. We shall call a judgment passed from this angle an O-judgment to denote that the arrangement is appreciated from the operational standpoint. O-judgments are the principle of all technical progress made by mankind. Quite different in kind is the judgment passed upon the same arrangement of factors by a mind that regards it without any intensive interest in or awareness of the process. Such a judgment is then passed as it were from an external, extra-processive standpoint. We shall call it an S-judgment. (de Jouvenel, 1956: 46)

According to de Jouvenel, we have a tendency to seek “tidiness” and “seemliness” in the world, a desire to have a satisfyingly complete explanation for the important forces and phenomena we encounter in our daily lives. Where we have intensive and critical dealings, e.g., in our jobs or in raising our own families, we are usually able to render O-judgments because we have devoted time and effort in seeing beneath appearances to the deeper order and, I might add, to appreciate the complexity of a problem and the epistemic limits of any solution we might try to come up with rationally. We become familiar with the relevant local knowledge. Think of Jacobs’s distinction between slumming slums and unslumming slums, for example (Jacobs, 1961: 270), discussed in Chap. 6. We need to spend time at street level, the tactile level, in each community to gather enough relevant local knowledge to see this distinction and to

grasp what sorts of actions might work or not work to improve the well-being of their residents.

But O-judgments are difficult and costly “in terms of attention and time” they take to form (de Jouvenel, 1956: 46), and we cannot afford to gain such depth of understanding and expertise in the vast majority of situations we confront in our daily lives. Indeed, given the limits of our minds and our resources, trying to do so would not be in our best interests even if it were possible in principle. So in our quest for tidiness and expediency, we tend to resort to superficial S-judgments, in which we ignore relevant factors (at the street level). And here is the key: As the scope and complexity of the activities on which we are required to pass judgment increase, especially those outside our primary areas of direct experience and concern, the proportion of S-judgments will grow relative to O-judgments.

Therefore the larger the number of arrangements upon which I venture to pass judgments, the higher the proportion of the arrangements examined which I shall pronounce unseemly, and the more the world will seem to me to be made up of “bad” and “wrong” arrangements. (de Jouvenel, 1956: 47)

This tendency for passing superficial judgments when confronted by the “unseemly” and apparently chaotic (such as in messy living cities) is inherent in even the most superior, rational intellects. Like Louis Wirth, we tend to rely on models or “statistical people” that abstract unhelpfully from untidy reality.

It is a relief to turn to problems of which we are ignorant and to which we therefore may apply our models. Be it noted that the greatest scientists who have mastered prodigious complexities are apt to come out with the most naïve views on social problems, for example. (de Jouvenel, 1956: 48)

Hence, we may surmise that planners lack the cognitive and epistemic capacity to develop proper O-judgments on all matters that could be subject to urban planning. And this is why they should limit what they try to do—which relates to what I have referred to as “scope” and “designed complexity.” But why don’t more social scientists and urban

planners acknowledge the complexity and emergent nature of urban phenomena and thus turn attention to the more-relevant locality knowledge?

This brings us back to Jacobs's discussion of organized complexity, and the tendency under the influence of twentieth-century intellectual trends to resort to explanations in terms of simplicity or disorganized complexity: "The theories of conventional modern city planning have consistently mistaken cities as problems of simplicity and of disorganized complexity" (Jacobs, 1961: 435). This in turn is closely related to Hayek's discussion (Hayek, 1942) of the "scientistic" turn in social theory in which the methods of the physical sciences are naively and inappropriately applied to social phenomena. As we have seen, when this is the basis and justification for overly ambitious urban projects, the consequences can be destructive.

Once they recognize the nature of the problem they are grappling with and acknowledge their cognitive limits in influencing the shape and direction of living cities, urban planners could then rely on emergent market prices or spontaneously formed social networks and institutions to assist them in coping with their ignorance (Hayek, 1974; Bertaud, 2018). The effectiveness of their plans therefore depends on how well these market prices, social networks, and institutions are allowed to function. The burden of Chap. 3 was to explain why beyond some point a trade-off arises between designed complexity and spontaneous complexity. When the level of intervention is low, the plans of the designers tend to complement the plans of those of us for whom they are planning; as the level of intervention rises, beyond some point their interventions begin to crowd out more than they complement. We have seen that for Jacobs and market-process economists, that turning point lies at a fairly low level of intervention (i.e., planning for basic infrastructure, removing negative externalities, and certain basic design elements that encourage safety and diversity). Increasing the scope of a project and its designed elements leaves less scope for markets and social networks to guide individual planning and foster personal autonomy and emergent order. In this way the hubris of planners obstructs the aspirations of ordinary people to cope with their imperfect knowledge.

Subsidiarity may be a step in the right direction, but by itself it cannot offset the debilitating effects of large-scale planning, particularly by

governments, and administratively it is also subject to the knowledge and incentive problems, even with “government sponsored community participation” we assessed in the previous chapter. The following sections then focus on how best to make collective decisions that significantly affect an entire community. I argue that it is possible to separate the case for decentralized governance from the question of whether such governance requires extensive use of political authority.

1.3 Governance Versus Government

Recall that the spontaneity of a social system, its emergent properties, happens beyond or above the level of a particular plan. That is, you can design the layout of a piazza but except for certain negative rules (e.g., no disruptive behavior as defined by local norms) not how the people in it will use the piazza over time. To use an economic example, the capital structure of a competitive market (i.e., the way investment in capital goods of myriad people fit together) is unplanned, even if the decisions of individual businesses, households, or non-profit organizations to invest in particular capital goods are each carefully and minutely planned (Lachmann, 1978), just as a business can meticulously design a plant but not the way it fits with others businesses upstream, downstream, and horizontally. In a Jacobsian context, the decisions of our neighbors to pay attention to what is going on in front of their houses contribute in unplanned and unanticipated ways to the formation of social capital and dynamic social networks, which in turn results in the safety and security of our neighborhood and the reinforcement of social norms. While it is possible that we may know that our thoughtfully considered choices contribute to such outcomes, we likely don’t know how it does so, nor do we really need to know.

As members of a community we may deliberately create the infrastructure necessary for our comfort through some form of collective decision-making—e.g., to provide roads, sewers, power, water, etc.—that then results in unintended patterns of usage. Does this imply anything about whether government authority is necessary to create and implement those designs? I suggest that although governments may provide

collective or public goods (in the strict economic sense of goods that are non-rival and non-excludable), it is not always necessary for governments to do so. Governance, i.e., the making, administration, and enforcement of rules to promote social order, may be something governments typically do, but *governance is not coextensive with government*. Purely private entities also govern but must do so through non-violent persuasion rather than coercion. As Peter Hall has noted, “collective action can and often does consist in giving wider powers to private agents” (Hall, 1998: 6).

The necessity of government intervention for effective governance is hard to deny when nary an acre of land in the developed world has not been claimed by at least one nation-state or another. It is especially hard to deny if we frame the question of providing collective goods in the form of “What is the most efficient way to construct city-wide sewers, set up a network of aqueducts, and lay miles of rail lines for mass transit?” But it may widen the set of feasible solutions if we reframe the question as “What is the most efficient way to provide waste disposal, get clean water to households, and improve urban mobility?” In other words, we might think less in terms of physical assets and more in terms of capabilities.³

The remainder of this section deals further with the nature of government and governance in the context of the kinds of rules found in them. This provides a starting point for elaborating the Market Urbanist approach introduced in the last chapter. That then leads to an analysis and critique of some current proposals for urban revitalization and rebuilding.

1.4 Kinds of Rules and Their Enforcement

The distinction between planned and unplanned orders and between governance and government lies in the rules on which each of these phenomena is based. The rules that government authority mainly rests on tend to be of a very different nature from the rules that support voluntary governance.

³I would like to credit Professor Lynn Kiesling for this way of framing the collective goods problem for me. The usual caveat applies.

Of course all planners, whether public and private, must issue and enforce rules as commands to achieve a specific objective.⁴ But the problem facing an architect who designs a single building, even a massive one, is not only quantitatively different but different in kind from the problems that arise from trying to design a city or even a single neighborhood. The knowledge requirement is impossibly large. S-judgments quickly displace O-judgements to harmful effect.

1.4.1 Rule of Law and Negative Rules

In contrast to rules as commands are rules aimed at generating a general pattern rather than a particular outcome, rules that are stable and predictable and apply to all under its jurisdiction (Hayek, 1944). An example would be a speed limit on a road, which may benefit or harm some drivers depending on the situation (e.g., leisure drivers versus those late for work) but is not intended to achieve an end other than to promote safe and orderly travel. In contrast is a rule that allows only certain individuals to use a road or that privileges them to ignore the speed limit. A rule that is general, universal, and stable may be quite wide in its scope (e.g., a national speed limit), but its content and level of design, and what it mandates or prohibits, are much more limited than a rule aimed at a specific objective, which may require extensive details, especially in its application (Moroni et al., 2018).

Other things equal, the less general, universal, and stable a rule is the more difficult and costlier it is to enforce. In the previous example, compare a rule that allows only certain privileged drivers to use a road versus a simple speed limit applied to all. Of course, a rule that is general, universal, and stable—characteristics of what is sometimes referred to as the *Rule of Law*—may be oppressive or difficult to enforce, such as a rule that says all persons 18–26 years of age must serve in the military. But this suggests that the content of the rule needs to be carefully considered.

A related concept is that of a *convention*, which we might define as a rule that has been so widely accepted that it is largely self-enforcing, such

⁴In the process of construction, of course, some of these rules may require adjustment, yet not without the approval of a chief architect or master planner.

as “drive on the right” (on pain of causing serious harm to oneself). And then there are *norms*, which we might think of as ethical rules that we have internalized or that are enforced through non-governmental means such as social pressure and disapprobation: I should obey the speed limit because it is morally the right thing to do (or that as a rule we should follow rules and conventions) (Greif, 2006).

People in all societies, including authoritarian societies, abide by norms, conventions, and governmentally enforced rules.⁵ The difference is the degree to which governmentally mandated and enforced rules predominate. Other things equal, the greater the degree that central planning and government intervention consciously direct individual activity, the greater the reliance on rules that depend on government authority for their enforcement and less the reliance on self-enforcement, social pressure, or voluntary acceptance. Turning this around, when planners use rules to achieve concrete rather than “abstract” outcomes (i.e., outcomes not aimed at a particular goal) for particular persons or groups, the result is a planned and not a spontaneous order.

While governments sometimes abide by the Rule of Law, voluntary governance that generates robust unplanned social orders, as when buyers and sellers in competitive markets conform to abstract rules of property and exchange, cannot deviate far from it and still retain that robustness.

1.4.2 Nomos and Thesis⁶

To further clarify the distinction between government and governance, we can look at rules from another angle, one that derives from Hayek’s essay, “The Errors of Constructivism,” in which he distinguishes three kinds of rules:

- (1) rules that are merely observed in fact but have never been stated in words...
- (2) rules that, though they have been stated in words, still merely express approximately what has long before been generally observed in

⁵The same rule may fall under all three of these definitions, but not for the same person at a given moment in time.

⁶*Nomos*, the law of liberty; *thesis*, the law of legislation (Hayek, 1973: 126).

action; and (3) rules that have been deliberately introduced and therefore necessarily exist as words set out in sentences. (Hayek, 1978: 8–9)

I will characterize these three kinds of rules, respectively, as “tacit,” “contextual,” and “formal.” So the tendency for Cartesian or “high modernist” thinkers (Scott, 1998: 4) in urban planning, and social theory generally, is to treat social phenomena as if they were guided solely by rules of the formal type: simple enough that their meaning can be effectively expressed in words or symbols. Such rules will appeal to those prone to making S-judgments rather than O-judgments.

Drawing on our earlier discussion, we can see that the concept of rules as formal commands also fits more closely to phenomena of “simplicity” and “disorganized complexity” than to phenomena of “organized complexity” because the relationships among elements in the first two phenomena are relatively simple, either in terms of the small number of variables involved or of the applicability of simple statistical relationships. Planners who don’t know better would assume they could direct complex living cities using explicit rules or commands. The urban designs of Le Corbusier, for example, entail rules that designate in detail the placement and uses of all the major structures in a “radiant city,” much as detailed land-use zoning codes do in a more limited way, while ignoring the contextual and tacit rules that align more with Jacobs’s “locality knowledge” that underlie the spontaneous, harder-to-see patterns that form in the interstices of the designed environment. That is why when Le Corbusier-designed or -inspired projects such as Chandigarh and Brasilia were constructed, they looked beautiful and orderly from a great distance but lifeless and chaotic (i.e., disorderly in the strict sense) at ground level. The consequence for residents is empty, unsafe, and sometimes dangerous public spaces, which even the passage of time may not fully counteract.

The emergent outcomes of social networks and living cities entail more contextual, tacit, and informal rules. Such rules are harder to articulate and conform to *nomos* or the Rule of Law, which tends more to forbid than to mandate, rather than to *thesis*, which aims for specific or more concrete outcomes. The trade-off between the scale of conscious design and the degree of spontaneous complexity reflects this distinction, because the idea that central planning should complement rather than

substitute for our plans implies that in making our O-judgments, we rely on rules the central planner does not (and perhaps cannot) know.

Governance mainly by “rules as positive commands” discounts the vital role of contextual and tacit rules and can lead to deep disorder and confusion. If planners appreciate their limitations, however, their governance can harness and complement, rather than stifle and substitute.

In addition, understanding the differences among rules, norms, and conventions and among explicit, contextual, and tacit rules can help to show that governance is possible without government. This understanding becomes relevant when we later examine proposals to build new cities or to revitalize existing ones, while the distinctions among explicit, contextual, and tacit rules help us to understand why the claim that complex social orders must be centrally planned is wrong.

2 Jacobs and Market Urbanism

I have stressed throughout this book that Jane Jacobs was careful to avoid aligning herself with any ideology, left, right, or other, and that includes the so-called free market.⁷ That is why I have been careful not to claim more for Jacobs regarding her political beliefs and policy prescriptions than can be documented in her books, articles, and published speeches and essays, and I have been careful to point out, as in the last chapter, where I am extrapolating into territory she did not herself tread. What I have tried to do is show how the fundamentals of her approach, and most if not all of those policy prescriptions align well, if not precisely, with market-process economics. At the same time, market-process economics, itself, as I have also stressed, is not a political ideology but rather an approach to understanding how market and non-market systems work or

⁷ Glenna Lang (2021: Loc 285) rightly observes: “Although pundits positioning themselves at varying points on the political spectrum have tried to claim Jane as one of theirs, she was adamantly nonideological, a freethinker who refused to ally herself with a political party or doctrine of any sort.” At the same time, Lang (Ibid: Loc 4287) reports that Jacobs as a high-school student favored small government: “The two Central schoolmates of vastly different backgrounds shared similar views (Jacobs and Carl Marzani), preferring the least amount of government and abhorring the brutality of the coal company police and state troopers protecting the nonunion ‘scabs’ during coal strikes.”

don't work and interact over time, although it is often associated with policies characterized as “free market” (e.g., free trade, monetary neutrality, and minimal government intervention) and classical liberalism (e.g., open immigration, concern with individual autonomy and well-being, especially for the least well-off in society, radical tolerance, and vigorous but civil criticism).

Although urban economics is a well-established field within the discipline of economics, for market-process economics, urbanism broadly considered is a relatively new territory, and this book is among the first extensive forays into this area from a market-process perspective.⁸ A growing number of market-friendly urbanists from a variety of backgrounds have (spontaneously) formed a movement dedicated to systematically applying market-based policy solutions to solve socioeconomic problems facing cities. Many have adopted the term “Market Urbanism” to describe their approach.

Adam Hengels, who coined the term, defines it succinctly as follows:

“Market Urbanism” refers to the synthesis of classical liberal economics and ethics (*market*), with an appreciation of the urban way of life and its benefits to society (*urbanism*). We advocate for the emergence of bottom up solutions to urban issues, as opposed to ones imposed from the top down.⁹

And the journalist and urbanist-blogger Scott Beyer defines it this way:

Market Urbanism is the cross between free-market policy and urban issues. Rooted from the classical liberal economic tradition, the theory calls for private-sector actions that create organic growth and voluntary exchange within cities, rather than ones enforced by government bureaucracy. Market Urbanists believe that were this model tried in cities, it would produce cheaper housing, faster transport, improved public services and better quality of life.¹⁰

⁸ Other notable predecessors can be found in Beito et al. (2002).

⁹ See the Market Urbanism website, <https://marketurbanism.com/> (accessed 5 October 2022).

¹⁰ See the Market Urbanism Report website, <https://marketurbanismreport.com/> (accessed 5 October 2022) and Beyer (2022).

In the context of this book, Market Urbanism (1) is an approach to understanding living cities as complex, spontaneous orders that drive economic development and material well-being, (2) uses this understanding to identify and analyze urban problems, and (3) to recommend solutions to those problems that rely as much as possible on voluntary, local, and market-based efforts.

Would Jacobs fully endorse any of these conceptions of Market Urbanism? Probably not, although I couldn't say precisely why except for her general aversion, noted above, to identify too closely with an ideological position, in this case classical liberalism.¹¹ Would she, however, endorse relying principally on market-based solutions and the Rule of Law, rather than arbitrary commands, and being wary of top-down governmental authority? Yes, I think she would. What is the basis for my belief?

First is her conception of a city and the important institutions within it as complex orders that emerge within partially designed frameworks. Second is her scathing critique of large-scale urban planning at the local level (with its Cartesian "scientific" outlook) that ignores the importance of local knowledge and spontaneously organized complexity, as in the final chapter of *Death and Life* and the first chapter of *The Economy of Cities*. Third is her hostility toward functional zoning with its forced and artificial separation of uses, again as in Part II of *Death and Life*. Fourth, her proposals that do involve governmental authority tend to be far less interventionist than conventional approaches, such as her desire to get the government out of the landlord business and instead complement "private enterprise" by making it profitable for private landlords to rent to low-income families, as in chapter 17 in *Death and Life*. Fifth is her cautious attitude toward the rent regulation because it doesn't get at the "core problem" of building new housing, as she argues in *The Economy of Cities* and *Dark Age Ahead*, which also reflects her understanding of the feedback role of market prices. Sixth, as we saw in Chap. 8 and the previous section, her support for regulations is mainly confined to addressing economic externalities, safety issues, and limited urban revitalization

¹¹ Appendix 1 to this chapter offers further evidence for Jane Jacobs as a classical liberal.

based on performance and form-based zoning, which eschew dictating how individuals should use their property à la functional zoning.

We have seen that Jacobs advocates subsidiarity in government administration, which is more complex than the more common vertical structures of administration. But this polycentric¹² solution doesn't entail increasing the political power of local officials. Rather, keeping the level of political power constant, subsidiarity's complex horizontal structure minimizes the lines of communication between the people who live and work in an area and those who govern it, empowering ordinary individuals to help discover their solutions. Far from advocating an overall increase in the scope of government authority, Jacobs argues instead for a way to minimize the negative impact of government administration on the complexity of the urban order and to maximize the effectiveness of that governance. And in a political context, again, subsidiarity works best when authority is strictly limited. Indeed, Jacobs's subsidiarity could just as well promote effective governance in voluntary, private organizations. The lesson from market-process economics is that if authorities at any level are tasked to do too much, no amount of decentralization, horizontality, or subsidiarity will improve the situation (Ikeda, 1997). As she said in an interview with journalist David Warren:

The really important, vital government monopoly is over the use of force. [...] But to extend monopoly powers to things like railways or the mail service, which are basically commercial, is pretty ridiculous. (Zipp & Storring, 2016: 317)

As I say, Jane Jacobs probably wouldn't endorse Market Urbanism outright. But her understanding of markets and cities as complex and emergent social orders, and her limited support for government intervention, places her comfortably within the Market Urbanist camp, which ranges from an anarchist wing to the more pragmatic views of prominent urban planner Alain Bertaud (2018), who combines a Jacobsian belief in the

¹²On polycentricity see also V. Ostrom et al. (1961).

necessity of limited government planning with a deep, equally Jacobsonian respect for the ordering capabilities of the market.¹³

I hope this offers a useful context for the proposals I now examine.

3 Cities of the Future

Experts say that by 2050 about 70% of the world's population will be urbanized.¹⁴ But what kind of cities will they be? If I take seriously what I have said about the unpredictable nature of living cities, then the only honest answer to this question is, “No one knows...and that's probably a good thing.” Still, we can use our framework to examine what is possible and to critique some of the current proposals for future cities.

¹³I believe Jacobs would find a great deal of common ground with Bertaud's outlook. Perhaps I should elaborate on this connection.

Bertaud's (2018) attitude is apparently highly unusual for an urban planner, especially one of his international stature. His thesis is straightforward: Urban planners need to understand basic economics—in which demand curves slope down and supply curves (usually) slope up—and apply that understanding to their work. For Bertaud, a city is first and foremost a labor market, and as such, an urban planner (as he himself has been for over five decades) needs to be aware of land values, the costs of mobility and of construction, and the trade-offs that exist among them. The job of the planner is to continuously monitor these magnitudes and to adjust infrastructure and regulations to promote the labor-enhancing mobility of urban residents, especially to ever-changing productive work, and to enable economic development.

When city governments competently provide major roads and infrastructure and deal effectively with negative externalities, people can then rely on market-determined values for land, construction, and transport to decide where to build, live, and work. When planners attempt to go beyond these critical but limited functions, as I put it in Chap. 3, they substitute the conscious design of the urban planner for the far more complex, robust, and responsive orders that emerge when ordinary people, operating in and through well-functioning markets, make their own plans and decisions. In this view, measures such as population density or floor-area ratios should be seen as dependent variables, not policy targets.

Bertaud's understanding of the city as a complex, dynamic, and emergent order and his awareness of the limits of urban design strongly echo Jane Jacobs. Jacobs effectively challenged, from the outside, the very planning mentality that Bertaud challenges as an insider. I have no doubt that she would have delighted in his 2018 book, *Order Without Design*. Indeed, as a student of Jane Jacobs, it is easy for me to imagine that, if she had somehow been an urban planner herself instead of a public intellectual, she might have penned a tome very much like Bertaud's!

¹⁴See, for example, the United Nations figures at their website: <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>. Accessed 14 May 2023.

The number of possible topics I could explore here—e.g., revitalization of Pittsburg and Detroit, Singapore, and Shenzhen—is just too vast and would itself require a book-length treatment. Instead, I will draw on several examples of urban revitalization and city building that illustrate some possible ways forward.

We begin by looking at smaller-scale experiments that we might characterize as Market Urbanist and under the heading of urban revitalization. The last is a much more grandiose project in city building in Guatemala. First, a little background on public space as a common-pool resource.

3.1 Urban Revitalization

Elinor Ostrom, winner of the 2009 Nobel Prize in economics, spent a lifetime studying communities in culturally diverse locations around the world—including Spain, Switzerland, Japan, and the Philippines—that have found ways to solve “common pool resource” (CPR) problems. These problems arise when a valuable resource, such as a river or a forest, is not the private property of any person or group, a condition that can create powerful incentives for individuals (“appropriators”) to overuse the CPR, to the long-term detriment of the entire community. In technical terms a CPR is a resource that is rival (i.e., my use interferes with your use) and nonexcludable (i.e., we can’t keep anyone out). Each of us may realize self-restraint is in everyone’s interest, but if we believe others will opportunistically free ride on our self-restraint, we too will be sorely tempted to do the same (Ostrom, 1990).

Ostrom found that in many (though not all) of the cases she studied, the appropriators themselves, mostly or entirely without help from their government, established rules and enforcement mechanisms effective enough to keep overuse and conflict to a minimum and flexible enough to adjust to changing circumstances over long periods of time, sometimes centuries (Ostrom, 1990). These governance arrangements were largely non-governmental and over time became self-regulating, based on local norms and conventions. These kinds of CPR situations appear in many places, including on the streets of a major metropolis. Which brings us to the concept of “shared streets.”

3.1.1 Shared Streets

In the late twentieth century a radical way of addressing problems of traffic congestion, accidents, pollution, and mobility appeared on the scene. Urban streets are common-pool resources with multiple appropriators—cars, cyclists, and pedestrians—which are often notoriously overused, a.k.a. traffic jams. The policy of “shared streets” has been spreading across northern Europe, including the Netherlands, Sweden, and the United Kingdom, sometimes under the Dutch term *woonerf* (Jaffe, 2015). Shared streets calls for removing traffic lights and signage and marked pedestrian crossings; it recommends substituting traffic circles for traditional intersections and blending sidewalks seamlessly into streets. Motor vehicles, pedestrians, and bicyclists are given equal legal priority and must therefore find ways to peacefully share this particular public space. In principle a motorist or bicyclist could go through an intersection without stopping for anyone; a pedestrian could cross anywhere at any time. All are liable for any injury or damage their actions cause, of course, but no one would be guilty of a traffic violation insofar as there are no laws or regulations to violate.

Instead of chaos, the result has so far been fewer accidents and injuries, a smoother flow of traffic, even in busy London, and perhaps less pollution from needlessly idling vehicles.¹⁵ Without signs to guide (or distract) them, drivers and cyclist need to be far more alert and careful than usual when approaching an intersection, and pedestrians more cautious when crossing the street. Common sense, self-preservation, and norms of civility have prevailed for the most part.

While there is less reliance on explicit rules and more on tacit rules, norms, and conventions, it is wrong to say, as a CNN news headline proclaimed, “Shared space, where streets have no rules” (Senthilingam, 2015). Indeed, the rules of shared streets are no less numerous, possibly even more numerous and complex, when the local authorities create the conditions that enable appropriate-but-unwritten rules to emerge and

¹⁵ See, for example, Ruiz-Apilánec et al. (2017) and references therein.

play a greater role in coordinating movement.¹⁶ Here, our earlier discussion of the nature of formal and informal rules is crucial, where the latter are norms and conventions that are often contextual and tacit.

Municipalities that have implemented shared streets have seen their accident rates and injuries decline (Project for Public Spaces, 2017). Although it is undoubtedly true that the first intersections were chosen for these experiments because of their greater potential for success, still we generally don't see pedestrians fearfully scampering across the street or cars dangerously bullying for the right of way.¹⁷ On the contrary cars, walkers, and bicyclists rather routinely mingle, as equals, as they negotiate shared streets.

No one mandates the norms of civility people should observe in the traffic commons, nor what tacit and contextual rules of crossing they should observe. Instead, ordinary people simply use local knowledge and common sense to interact safely. Order emerges, like it did in those communities Ostrom studied that successfully preserve CPRs. The potential appropriators — the drivers and pedestrians — self-regulate because few want to cause an accident or to be a victim of one. It is well known that most of the rules of the road are unwritten anyway — which raises the question of how many of those rules really need to be written down at all. These are examples of Ostrom's principle of governing the commons, again with no or very little reliance on government intervention.¹⁸

Videos of shared streets remind me of when I was in Beijing in 1984 trying to cross one of those menacingly wide boulevards filled with a thick, endless stream of bicyclists. I stood paralyzed on the edge of the traffic until our guide told me that I should just start walking through, slowly but without stopping (like a cowboy wading through a herd), and the bicyclists would avoid us—and they did! Today, cars have largely replaced these swarms of bicycles, and I don't know how the norms may

¹⁶However, Karndacharuk et al. (2014) find there are specific rules, outlined by local governments, that are still needed.

¹⁷There is fear, although it is not clear whether the evidence supports it, that the visually impaired find shared streets more intimidating than traditional traffic arrangements. See, for example, this item from BBC news: <https://www.bbc.com/news/uk-england-44971392>. Accessed 14 May 2023.

¹⁸Naturally, if an accident occurs, the parties involved may have recourse to the judicial system, but whether that system needs to rely on government authority to operate effectively is equally debatable. Exploring this issue would take us well beyond the scope of this book, however.

have changed to fit the new circumstances. And in cities today where bicycles still dominate, as in Amsterdam, an entirely different set of rules may apply that have been adapted to suit the particular circumstances of time and place.

I am not suggesting that shared streets should be implemented globally right away. Rather, the point is to demonstrate that governance without government intervention is certainly possible in an area where many would find that surprising. And I don't claim that we could apply it safely overnight in the congested streets of Midtown Manhattan.¹⁹ But with the success of shared streets, it may be easier now to imagine that someday we could. And with the concepts of tacit rules governing the traffic commons, it's easier to understand how it would work.

3.1.2 Sandy Springs, Georgia

Often, the problems a town might face are more narrowly financial. Although it's not unusual for some towns to contract with private providers for a limited number of municipal services, the town of Sandy Springs, Georgia, population about 94,000 in 2012, voted to privatize nearly all its services. According to its website:

The city of Sandy Springs pioneered the Public-Private Partnership model for service delivery in 2005, using a private sector partner to provide general city services including Public Works, Community Development, Finance, IT, Communications, Recreation and Parks, Municipal Court, and Economic Development. With the exception of public safety personnel – police and fire – only eight members of the City Manager's executive staff were “city” employees.²⁰

And according to the *New York Times*:

¹⁹ Moody and Melia (2014) find that “some of the claims made on behalf of shared space have overstated the available evidence, and that caution is needed in implementing shared space schemes, particularly in environments of high traffic flows.”

²⁰ On their website: <https://www.sandyspringsga.gov/public-private-partnership>. Accessed 14 May 2023.

To grasp how unusual this is, consider what Sandy Springs does *not* have. It does not have a fleet of vehicles for road repair, or a yard where the fleet is parked. It does not have long-term debt. It has no pension obligations. It does not have a city hall, for that matter, if your idea of a city hall is a building owned by the city. Sandy Springs rents.

The town *does* have a conventional police force and fire department, in part because the insurance premiums for a private company providing those services were deemed prohibitively high. But its 911 dispatch center is operated by a private company, iXP, with headquarters in Cranbury, N.J. (Segal, 2012)

In 2019 Sandy Springs elected to move from privately contracted services back to city-provided municipal services—retaining under private contract only Municipal Court Solicitors, City Attorney, and Non-Emergency Call Center—because it estimated a significant cost savings from doing so. So rather than sticking slavishly to one model or another, Sandy Springs uses whichever approach, or a combination of the two, it deems works best. Ultimately, then, flexibility may be the bottom-line virtue of their approach to governance, a willingness and ability to choose for-profit or not-for-profit provision of traditional municipal services as circumstances change.

You could argue that this flexibility to combine private operation with public governance works because Sandy Springs is a small town of about 94,000 persons. But if New York City were to first adopt a Jacobsian approach of subsidiarity, in which a district governments were granted the authority to provide a larger or smaller set of services under its jurisdiction, a genuine public-private solution (not to be confused with the PPP I critiqued in Chap. 8) might be scalable and workable alternative for certain of its funding problems.²¹

What other strategies might larger municipalities with deeper economic and social pathologies pursue?

²¹Not all such experiments have had Sandy Springs's success. Maywood, California, a town of about 27,000 persons, seems to have been unable to solve problems of poor financial practices, political corruption, and other civic maladies by contracting out. In this case, however, the reason for failure may lie elsewhere than with privatization. See Vives and Elmahrek (2018).

3.1.3 Cayalá, Guatemala City²²

Guatemala City is a city of well over two million and growing. Outwardly, the capital of Guatemala is a vibrant metropolis with big-city traffic problems set amidst lush ravines in a mountain rain forest. On the street, however, it is a different story. Decades of civil war, natural disasters, and violent drug trafficking have left its public spaces dangerous places. Drivers tint their car windows black, and businesses large and small hire shotgun-wielding guards, all in the midst of an economy in which poverty exceeds 50 percent. As a result, genuine street life is rare and limited to a few promisingly emergent areas of the city. These include “Sixth Avenue” in Zone One, the oldest part of the city that was mostly abandoned after a terrible earthquake in 1976, and a few gentrifying streets in Zone Four. Less organic prosperity can be found in the lavish Oakland Mall in the safer (though still dangerous) Zone Ten, a.k.a. “Zona Viva.”

Guatemala City, then, is a good candidate for some form of urban revitalization.

Amid this economic and social pathology, or rather on its outskirts, lies the New Urbanist development of Cayalá, designed by famed architect Léon Krier, who I have mentioned a few times before. Despite being designated “Ciudad Cayalá” or “Cayalá City”²³ on its website, a city it is not, at least not in the Jacobsian sense. It is at best a possible beginning of a major city revitalization project, a dramatic approach to a chronic urban problem, planned eventually to reach hundreds of hectares. Krier is one of the pioneers of New Urbanism, which I discussed in the last chapter, and it will be revealing to compare and contrast his ideas to that of Jacobs and Market Urbanism.

Some of Krier’s ideas overlap Jacobs’s. For example, he favors walkability over drivability (Krier, 2007: 128),²⁴ places similar value on street corners, intersections, and mixed uses, although more of the secondary diversity type than primary use (Ibid: 125), recognizes that “the feeling of

²² This section draws from Ikeda (2022).

²³ See the official website for Cayalá, <https://www.cayala.com/>. Accessed 14 May 2023.

²⁴ Although even here he differs from Jacobs, who does not completely eschew cars or impose a strict norm as Krier does of “the pedestrian must have access to all the usual daily and weekly urban functions within ten minutes’ walking distance, without recourse to transport” (Krier, 2007: 128).

security in public spaces increases with the efficiency and density of the street pattern” (Ibid: 129), appreciates the “fractal geometry” of urban patterns (Ibid: 131), values the dispersal of public and civic functions throughout urban quarters (Ibid: 155), warns against placing border vacuums (without using this term) in the midst of the urban core (Ibid: 129), and voices disdain for functional zoning (Ibid: 19).

Krier also favors the reform of traffic regulations in a way that appeals to advocates of shared streets: “The speed of vehicles should be controlled not by signs and technical gadgets (humps, traffic islands, crash barriers, traffic lights, etc.) but by the civic and urban character of streets and squares that is created by their geometric configuration, their profile, paving, planting, lighting, street furniture, and architecture” (Krier, 2007: 151, 130).

But Léon Krier is renowned for his adamant rejection of twentieth-century architectural modernism and city planning. Instead, he advocates a return to what he considers a more human-scale, traditional architecture that employs time-honored materials and techniques and an ethos that pays tributes to a location’s history and character (Krier, 2007). One might think of Krier’s architectural aesthetic (in contrast to his explicit design philosophy) as an emergent phenomenon that has withstood the test of time.²⁵ Thus:

Architecture finds its highest expression in the classical orders: a legion of geniuses could not improve them any more than they could improve the human body or its skeleton” (Krier, 2007: 179) [...] The generating principles of traditional architecture seem to have the same inexhaustible capacity for creating new and unique buildings and towns. The classical notions of stability and timelessness are clearly linked to the life-span of humanity—they are not metaphysical and abstract absolutes. In this context the age of the principle is irrelevant. (Krier, 2007: 183)

²⁵Krier does write that “Traditional architecture is a pure invention of the mind (2007: 181)” but by this we might take him to mean that “It has greater universality than language for its elements are comprehensible to people everywhere without translation” (2007: 181). So in inventing new applications for traditional architecture, traditional architecture draws on a vocabulary that has emerged over time.

For Krier a successful city's morphology cannot be spontaneous but instead requires careful guidance by precise land-use and building regulations because "The beauty of an ensemble, of a city or landscape, represents an extremely vulnerable and fragile state of balance" (Krier, 2007: 207). Constructing and supporting this fragile balance requires strict adherence to a "masterplan" devised by a master architect and enforced by local authorities. In other words, Krier's ideal city must be "a work of art."

I am not qualified to comment on the aesthetics of Krier's architectural designs per se except perhaps to say that I personally like them very much, and that if I were planning to build, say, a villa of my own or a "mixed-use" development, I would seriously consider hiring a Krierian architect. I would not, however, wish him to attempt to build a living city in this way, which I regard to be literally impossible. But for Krier, a high degree of designed complexity is essential to achieve the urban norms of beauty, livability, and humane values he esteems in traditional cities. How should this be done? Krier begins with a masterplan.²⁶

The masterplan is to the construction of a city what the constitution is to the life of a nation. It is much more than a specialized technical instrument and is *the expression of an ethical and artistic vision*. (Krier, 2007: 113; emphasis added)

The masterplan to create this work of art has five major parts:

1. A plan of the city, defining the size and form of its urban quarters and parks, the network of major avenues and boulevards.
2. A plan of each quarter, defining the network of streets, squares and blocks.
3. The form of the individual plots on each urban block: number, shape and function of floors that can be built.

²⁶It should be noted that the renowned urban planner Alain Bertaud is critical of many masterplan approaches, not because they are unnecessary but because of the overwhelming tendency on the part of politicians and urban planning departments to assume their job is done once the masterplan is in place and implemented. Bertaud argues that planning and implementation have to be monitored in an ongoing and data-driven process, not a one-and-done effort (2018: 353–72). This implies that a masterplan has to be simple enough for the relevant data to be effectively gathered.

4. The architectural code describing materials, technical configurations, proportions for external building elements (walls, roofs, windows, doors, porticoes and porches, garden walls, chimneys) and all built elements that are visible from public spaces.
5. A code for public spaces, defining the materials, configurations, techniques and designs for paving, street furniture, signage, lighting and planting. (Krier, 2007: 113)

The first two points of the plan are common to most municipal masterplans. The third appears reasonable, but the devil is in the details, as we will see shortly. The best examples of the fourth and fifth points can be found in districts of historic preservation and theme parks.

A city cannot be left in the hands of those of the market process, since “It is everywhere evident that private developers, private foundations and institutions, however well-intentioned, are incapable of building and preserving public spaces that are in any way the equal of European historic centers” (Krier, 2007: 117). Krier seems to take it for granted that government authorities implementing the masterplan will act largely in the interest of ordinary city dwellers and like Jacobs seems to assume that the government will be strong but limited, with effective state capacity. As a result, Krier like Jacobs appears to overlook how political interests will impact their policy advocacy.

Now, some details. Krier would ban most one-way streets (Krier, 2007: 163) because they promote vehicular interests over pedestrians; limit buildings to five stories to preserve human scale (Ibid: 157); and prohibit setbacks for buildings to preserve the visual distinction between public and private (Ibid: 139) and “the differentiation in scale, materials and volumes must be justified by the type and civic status of buildings and should not depend on the *mere fancy* of the architect or the owner or on purely technical imperatives” (Ibid: 141; emphasis added), unless perhaps approved by the Master Architect. The list goes on.

And unlike Jacobs, he would place strict limits on the size of a city.

Exactly like an individual who has reached maturity, a “mature” city cannot grow bigger or spread out (vertically or horizontally) without losing its essential quality. Just like a family of individuals, a city can grow only by

reproduction and multiplication, that is, by becoming polycentric and polynuclear. (Krier, 2007: 124)²⁷

That is, a city should grow by “reproduction” and “multiplication.” The basic unit of urban growth should be the “urban quarter,” from which the city expands modularly with an increase in population. Each urban quarter must be relatively autonomous, providing most of the services its inhabitants would typically require in a week, such as schools and grocery shopping, at no more than a ten-minute walk (Krier, 2007: 128).²⁸ In addition, Krier would ban buildings taller than five-stories to prevent “upward sprawl.” The only way to achieve this result, according to Krier, is through a masterplan that caps building heights, mandates materials and construction methods, and dictates the size and location of public spaces as well as land-uses, especially secondary uses. Thus, Cayalá appears to be an attempt to revitalize Guatemala City by deliberately transforming it, quarter by quarter, into a “ten-minute city.”

At the moment, however, Cayalá strikes one as an exclusive enclave for the wealthy, ungated but difficult to reach and too expensive to be much use for the majority of Guatemala City’s poor. It appears to be another case of cataclysmic money, with the attendant visual, social, and economic homogeneity. And for now, safety and security seem to rely less on human “eyes on the street” and more on technological surveillance,²⁹ which is understandable given the high crime rates in the surrounding areas but not encouraging from the point of view of self-governance.

²⁷ As will become clear in a moment, “polycentricity” for as Krier uses the word is based on the idea that a city should consist of largely “autonomous” economic units in which residents should be able to obtain most of the weekly services they need within easy walking distance. For Jacobs “polycentric” refers to a subsidiarity-based administrative structure within the city as a whole. A city quarter in Krier’s sense could be polycentrically administered, but he does not, at least in Krier (2007), argue for this administrative structure.

²⁸ This implicit structure reflects what Christopher Alexander would characterize as a “tree”—in which there is a hierarchy of uses without functional overlap—rather than a “semi-lattice” that allows for overlapping land-uses characteristic of actual, living cities (Alexander, 1965). And it also bears close resemblance to the currently popular idea of a “15-minute city”—see the website for this concept at <https://www.15minutecity.com/>. Accessed 14 May 2023.

²⁹ See <https://www.asmag.com/showpost/24205.aspx>. Accessed 14 May 2023. Extensive surveillance and policing is, as Jacobs noted, indicative of community failure.

Nevertheless, such level of control over design is profoundly at odds with the liberal Jacobsian and Market Urbanist approaches, despite being touted as “a public space created by the private sector.”³⁰

To succeed in the coming years as a living city, Cayalá must be knit into the rest of the urban fabric of Guatemala City and cannot remain an exclusive enclave. I have been told that this is just the beginning of a plan for quarter-by-quarter expansion over time and that for locals Cayalá is a kind of oasis and hopeful example of what is possible in this poverty-stricken country via private financing.³¹ Perhaps time will tell. Likely, in the end it will become something very different from what its designers intended, which because a prime characteristic of a living city is its inherent unpredictability, could be a good thing.³²

But a universal application of the Krierian approach to city building would not create a world of traditional cities; it would, on the contrary, undermine the dynamic processes that foster the kinds of beauty and values that future generations would venerate, in the same way Krier and people like myself today venerate the built achievements of a messy and spontaneous urban past. The problem with Krier’s characterization of the urban problem is that it focuses too much on the form (e.g., skyscrapers, glass curtains, etc.) and not enough on what we have seen is the experimental, unplanned, unpredictable, and innovative, wealth-generating nature of a truly great city. The result, as Jacobs might say, is taxidermy.

3.2 City Building: Charter Cities and Startup Societies

Economist Mançur Olson argues that in a stable society certain people with common interests tend over time to organize groups to protect their status by crafting legal privileges for themselves, i.e., to engage in “rent

³⁰Héctor Leal, engineer and general manager of the Cayalá project, quoted in “Crean ciudad privada” para los ricos en Guatemala” por ROMINA RUIZ-GOIRIENA, Associated Press, January 8, 2013.

³¹A colleague, an architect on the Cayalá project, related both the expansion plans and confirmation that the financing is totally private, although the city operates the streets and the developers work with city government for public thoroughfares.

³²For a rosier evaluation of Cayalá by the Congress of the New Urbanism, see Steuterville (2021).

seeking” (Olson, 1984). This creates barriers between socioeconomic pathologies (e.g., crime, corruption, housing unaffordability) and their possible cures (e.g., regime change, land-use liberalization) that are difficult or impossible to dismantle from within. In such cases trying to work within the system is highly uncertain and if attempted likely to be disruptive economically and socially. Public protests, sometimes violent, could result. Examples aren’t hard to find. Fundamental reform might also take place as a result of a systemic crisis, but the outcome could go either way (Ikeda, 1997).

In the past this has led some to pursue the risky, but potentially easier, route of establishing new settlements to start afresh. Historical examples include medieval *bastides*, colonies, or the spread of ancient Greek *polei* (Vance, 1990: 178; Gebel, 2018; Kitto, 1951; Pirenne, 1980). This is the motivation behind the so-called “Startup Society” movement. Rather than trying to reform entangled politico-economic systems within existing cities, the “city building” approach advocates basically starting from scratch.

3.2.1 Charter Cities

Paul Romer, winner of the 2018 Nobel Prize in economics, has proposed “Charter Cities” to jump-start chronically underdeveloped economies.

The Charter Cities³³ concept derives from the experience of politically autonomous cities, such as Hong Kong, located in countries other than their source of governance. The economic success of Hong Kong, a former British colony established on the Chinese mainland that was handed over to the People’s Republic of China in 1997, spurred the PRC to create “Special Economic Zones” with “more liberal economic laws than those typically prevailing in the country” (Zeng, 2012), such as Shenzhen and Zhouhai. It also inspired Romer’s Charter Cities concept. With the “host” country’s blessing (e.g., the People’s Republic of China), an economically developed “guarantor” country (e.g., Great Britain) or group of guarantor countries establishes a market-friendly legal framework

³³ See the Charter Cities website at <https://chartercitiesinstitute.org/intro/>. Accessed 14 May 2023.

patterned after their own, as well as some physical infrastructure, on leased territory in the host country. With the promise of a stable, market-friendly legal environment, the guarantors then arrange for private business investment from abroad to create jobs and housing for locals and immigrants in the Charter City.³⁴

Charter Cities promise rapid economic development by allowing a portion of a less economically developed country to start off with a clean slate. The goal is to sidestep obstacles to reforming a system entangled in entrenched interests, excessive restrictions on business and immigration, and unpredictable political intrusions into domestic life. The concept promises a legal system already proven elsewhere that provides a relatively liberal economic environment along with the physical infrastructure necessary for economic development. It also holds the possibility of inculcating norms of behavior sympathetic to entrepreneurship, openness, and trade. Populated by those who self-select for ambition, tolerance, resourcefulness, and energy, a Charter City is seen as a way to more quickly and effectively overcome the challenges that typically block economic development.

But a Charter City confronts several other challenges, even assuming a host country and an agreeable foreign guarantor government can be paired. First, the entire concept smacks of colonialism, even if the host is not pressured to invite the guarantor government in. Suppose the concept is successful and gains popularity among governments worldwide. It is easy to imagine some governments chartering cities not to promote the economic interests of the citizens of the host and guarantor countries but strategically to invest in such cities for geopolitical reasons. Indeed, it seems naïve to think it would not be so. Similarly, such a scheme would seem to be vulnerable to rent-seeking businesses and politicians who vie for privileged investment positions in the provision of infrastructure or in establishing new businesses. On the other hand, there is the threat of “post-contractual opportunism” by the host government—i.e., appropriating the fixed assets of foreign investors—especially should the Charter

³⁴ Honduras began to implement the Charter City concept, although it ran into difficulties early on. See *The Economist* (2017) at <https://www.economist.com/the-americas/2017/08/12/honduras-experiments-with-charter-cities>. Accessed 14 May 2023.

City become, as it is hoped, a successful enterprise. From that perspective, private companies and productive workers would look like attractive cash cows to exploitive host countries. More seriously, if the host acts opportunistically toward investors who have sunk large sums in location-specific investments—say, by threatening to nationalize businesses—what response should we expect from the guarantor countries? Harsh language? An armada of warships? Indeed, the mere threat of this kind of opportunism could prevent the project from getting off the ground or getting very far if it does.

Finally, the Charter City proposal has troubling rationalist constructivist overtones. That is, we have seen that trying to design a complex system confronts Jacobs's problem of organized complexity. As with those of mice and men, the best-laid plans of even benevolent planners, to quote Robert Burns, "gang oft agly." How the host and guarantor countries respond to plan failure is critical, and their responses will probably be driven as much by political expediency as by considerations of the general welfare.³⁵

3.2.2 Startup Societies³⁶

The distinction between governance and government is especially relevant to proposals by classical liberal/libertarian thinkers who would like to see social cooperation and social order rely as much as possible on arrangements that do not entail governmental authority, even where the provision of infrastructure (e.g., roads, sewers, public safety) or the corresponding capabilities (e.g., mobility, waste removal, security) is concerned. The term "Startup Society" is sometimes used for specific approaches within this movement, but with apologies I will use this term generically to include various proposals such as "seasteading" and "free

³⁵Appendix 2 to this chapter contains notes from a conversation with Alain Bertaud on the practical challenges of establishing Charter City-like settlements.

³⁶There are many other challenges raised against Startup Societies than I discuss. Frazier and McKinney (2019) respond with possible solutions to many of them. My aim here is to focus on the deeper conceptual issues. Urban economist Vera Kichanova's as yet unpublished Ph.D. dissertation (Kichanova, 2022) takes a deep dive into the theory and current practice with respect to what she terms "free cities."

private cities.” Each entail somewhat different financial arrangements—private investment versus government spending, purely voluntary associations versus governmental guarantors—and even within the private-investment approach some are more focused on marketing and profit-seeking while others explicitly prioritize liberty and autonomy,³⁷ although these ends are to some degree complementary. One example of the former is to treat a liberal “free city” as a commodity. As the father of seasteading Patri Friedman puts it (Friedman, 2019), why not treat “a city like an iPhone?” Another is an extension of the Charter City concept without the heavy reliance on guarantor governments.

To my knowledge, Jacobs has nothing to say about startup societies in general.³⁸ Nevertheless, I think the approaches are highly germane to Jacobsian social theory and economics.

Free Private Cities

As Frazier and McKinney (2019) describe them:

Proponents of Free Private Cities advocate for-profit startup communities, where instead of paying taxes, individuals and companies would pay fees to a for-profit company. Free Private Cities are similar to Private Residential Communities in the way they manage infrastructure and services privately. Unlike a traditional private community, Free Private Cities would not just adopt the rules of the host jurisdiction. The city governs itself with its own charter document, rather than by a general law of a surrounding host government. Free Private Cities put a large emphasis on safeguarding personal liberty and property rights. (Frazier & McKinney, 2019: Loc. 1021–25)

Their independence from a guarantor government is the main difference from the original Charter City concept. This is true of seasteads, as well, but with a twist.

³⁷Titus Gebel, for example, addresses his free city concept “for those who want to achieve liberty and self-determination during their lifetimes, but who have recognized that any transformation of existing systems from the inside is difficult to impossible” (Gebel, 2018).

³⁸For a handbook on implementing a Startup Society, see Frazier & McKinney (2019). Gebel (2018) describes a free private city proposal and offers several examples of free cities throughout history, with particular emphasis on the German region.

Seasteading

Seasteads aim to be autonomous floating communities on the ocean, experimenting with new policies and institutional practices. Seasteads with modular designs would have a “dynamic geography” so residents can easily “detach” (i.e., exit) and form new communities.³⁹ The intended result is improving choice in governance and legal systems. Seasteads are meant to be a scalable form of an integrated Startup Society and offer depoliticized environments inspired by examples set in Free Economic Zones, such as Hong Kong (until recently) and private residential communities. Many seasteaders favor permanent dwellings outside any political jurisdictions, a reflection of a lack of faith that true variation in governance can occur on land.

The concept has evolved over time. The seasteading community now favors a gradualist approach that seeks host nations with which to partner in creating a free economic zone — a “SeaZone” — in their territorial waters. There, floating communities could provide tax-free or low-fee conditions for residents and businesses. In parallel, “LandZone” options would exist for local champions to gain free zone incentives for their own ventures on dry land. These initiatives hope to boost economic activity and awaken dormant assets in the SeaZone and LandZone areas (Frazier & McKinney, 2019: Loc. 1046–50). Currently, one such LandZone is being built in Roatán, Honduras.⁴⁰

I believe Jacobs would share my reservations about any scheme that claims to build new “cities.” Still, one of the purposes of *Death and Life* is “to introduce new principles of city planning and rebuilding” (Jacobs, 1961: 3). For Jacobs some of these include fostering multiple attractors to generate a greater diversity of land-use to lay the groundwork for a dynamic, complex divisions of labor, import replacement and shifting, and innovation. If the aim of Startup Societies is to create a dynamic city of innovation, I believe the chances of success increases if its proponents keep to these general principles and, most importantly, always remember

³⁹ For further details on seasteading, see the website of the Seasteading Institute at <https://www.seasteading.org/>. Accessed 14 May 2023.

⁴⁰ For the latest information on Prosperá, see their website at <https://prospera.hn/>. Accessed 14 May 2023.

that such a city is a spontaneous order, not a work of art. The concept of a Startup Society or free city is revolutionary, but its execution should be evolutionary. As Titus Gebel, an advocate for “free private cities,” states:

A private city is not a utopian, constructivist idea. Instead, it is simply a known business model applied to another sector, the market of living together. In essence, the operator is a mere service provider, establishing and maintaining the framework within which the society can develop, open-ended, with no predefined goal. (Gebel, 2016)

Such a settlement will tend to attract ideologically committed seekers of freedom, but what it will really need are people with diverse human capital, willing to work exceptionally hard. Fewer intellectuals, more people who can get things done. It will need people with complementary talents and tastes with the willingness and ability to fit them together. But it is not possible to know how all this will look down the road, because we don't know who will come and who will stay or what unexpected “pools of effective economic use” might be generated, a delight to some an offense to others. So, the gradual, modular approach, to the extent that the infrastructure is scalable,⁴¹ is far preferable to the original Charter City mindset.

Some would approach a Startup Society as a business venture. I am uncomfortable with that idea, especially if the goal is to foster a living city and not simply a place to spend wealth we create somewhere else. If a living city is a spontaneous order then, as Gebel recognizes, it has no specific purpose, even to make a profit.

For example, if all the land of a settlement is owned by a single entity, where the users are leaseholders, then governance could be private, and as argued by anthropologist Spencer McCallum (1970), positive and negative externalities could mostly be internalized, as in a hotel or shopping mall. Certainly, hotels and malls turn a profit, and there is no reason why

⁴¹Among the unscalable infrastructure at present are airports, deep-water ports, sewer plants, water supply systems, main roads, and major administrative and social facilities. The last items might be scalable to the extent governance is done according to subsidiarity. It is worth exploring the extent to which the others might be scalable in an open-water setting à la seasteading. Again, it might be more helpful to think in terms of capabilities than specific kinds of infrastructure.

a settlement planned along the lines of McCallum or Friedman might not also, say, based on revenue from increasing land rents. In marketing terms, it makes sense to sell or lease the real estate as a commodity. But the city itself—the interaction of the physical and social—cannot be a commodity.

On the whole, then, I find the city-as-a-business concept to be off the mark. Friedman has said he appreciates that “something is lost” when treating a city in this way, something like “local identity” (Friedman, 2019), but it is more than that. What I fear is losing something closer to “civic culture,” where genuine innovation and creativity thrive on messiness and livable congestion—where order stays just ahead of chaos. A “Startup Society as iPhone” is more Club Med than living city.

3.3 Other Examples of Startup Societies

Three other experiments deserve mention. The first is about as close to a fully spontaneously emergent city as you will find in modern times, notable for its rapid economic development and messiness. The second and third are examples of the exact opposite: mega-projects more in the line of Le Corbusier. The latter is currently under construction and just goes to show that Cartesian rationalism is indeed alive and well today.

3.3.1 Gurgaon, India

Gurgaon is a private city with massive problems. Despite all that, it has been strikingly successful.

In this city that barely existed two decades ago, there are 26 shopping malls, seven golf courses and luxury shops selling Chanel and Louis Vuitton. Mercedes-Benzes and BMWs shimmer in automobile showrooms. Apartment towers are sprouting like concrete weeds, and a futuristic commercial hub called Cyber City houses many of the world’s most respected corporations. Gurgaon, located about 15 miles south of the national capital, New Delhi, would seem to have everything, except consider what it does not have: a functioning citywide sewer or drainage

system; reliable electricity or water; and public sidewalks, adequate parking, decent roads or any citywide system of public transportation. Garbage is still regularly tossed in empty lots by the side of the road.

With its shiny buildings and galloping economy, Gurgaon is often portrayed as a symbol of a rising “new” India, yet it also represents a riddle at the heart of India’s rapid growth: how can a new city become an international economic engine without basic public services? [...] In Gurgaon and elsewhere in India, the answer is that growth usually occurs despite the government rather than because of it. (Yardley, 2011)

Economists Alex Tabarrok and Shruti Rajagopalan, however, put these maladies in perspective. For example, while Gurgaon lacks a cohesive urban plan, “urban growth has vastly outpaced planning efforts in almost all Indian cities” and not Gurgaon, alone. Overall, Indian municipalities fail to provide effective infrastructure to their citizens (Tabarrok & Rajagopalan, 2015: 216). And while “public sewage provision in Gurgaon is appalling and in marked contrast to its gleaming private residences and workplaces, it is actually of above average quality by Indian standards” (Ibid).

Is Gurgaon a viable model for a Startup Society? Perhaps its most important function is to demonstrate that such a thing is even possible when no one thought it was. Or to put it another way, if the goal is to build apparently unscalable infrastructure—such as city-wide sewers and water provision, unified street grids, and so on—then using the political power of government may be the most feasible, perhaps the only solution. But if the goal is to provide waste disposal, clean water, mobility, and so on, then Gurgaon demonstrates that this may not require massive, city-wide infrastructure investment.

Again, framing the problem in terms of capabilities rather than concrete assets can lead to finding solutions outside conventional planning strategies. Using conventional means in the past to achieve concrete objectives may have been efficient from a static point of view, that may not be the most useful approach to city planning in the future. This is true especially (1) if it comes with an easily corruptible, politically ossified administrative structure and (2) if, as in the case of Gurgaon, the city

and the opportunities it creates would not have emerged within such a governance structure.

Taking a cue from the startup cities approach, instead of undertaking city building by first constructing a large government infrastructure, the solution may be to do just the opposite. As Tabarrok and Rajagopalan observe, Gurgaon suffers from a “tragedy of the commons,” in which it is land that belongs to no one in particular that gets polluted the most. Dumping doesn’t take place on private land (Tabarrok & Rajagopalan, 2015: 2020). From an economic perspective, the best way to address commons problems such as this is not to restrict private activity but to clearly define and enforce rights to private property. That way, we can avoid those problems in the first place through trade in land markets. In other words, where market imperfections exist in the form of negative externalities or lack of public goods, the solution may be to allow more, not less, private initiative to address them.⁴²

3.3.2 Dubai, UAE, and Neom The Line

Here I will briefly mention two current megaprojects (the second probably qualifies as a true “giga-project”), both in the Arab world, that serve as excellent foils to Jacobsian urbanism: one begun earlier this century and other breaking ground as I write this. I will show my hand right now and say that if either is completed as planned, which is unlikely, it will at best be as a playground for the superrich, not as a living city.

Dubai’s Island Archipelagos

In an effort to diversify its economy from petroleum exports, early in this century Sheikh Mohammed bin Rashid Al Maktoum led the creation of a free-trade zone to entice foreign investment, immigration, and economic expansion in Dubai, United Arab Emirates. According to Michael Strong and Robert Himber, “Dubai’s ruler decided that the best strategy for jump-starting a world-class global financial hub would be to create a

⁴²I would recommend the curious reader explore the large literature on the private provision of public goods, starting with economist Steven Cheung’s pioneering article, “The Fable of the Bees” (Cheung, 1973).

legal environment based on British common law” (Strong & Humber 2009: 37), somewhat along the lines of a Charter City, though without the obligatory outside-guarantor country. In tandem with this change in legal structure, Dubai’s planners embarked on a large-scale construction project unique in the history of modern city building: the creation of multiple sets of artificial archipelagos so large they could be seen from space—Google it and see for yourself—dubbed “Palm Islands.”

Each Palm Island forms an outline in the shape of a stylized palm tree. The central trunk contains hotels, retail, and activity centers, and on each of the multiple fronds emanating from it are residential spaces for dozens of mansion-sized luxury dwellings priced in the millions of dollars. A crescent surrounds the islands to serve as a water break.

Construction of the first Island began in 2003 with Palm Jumeirah, which is now mostly completed, with a residential population of more than 10,000. Two even bigger Palm Islands were planned, with one, Palm Jebel Ali, now reportedly nearing completion after a years-long delay attributed to the 2008–2009 financial crisis (Arab Business, 2023). The other, Palm Deira, is still on the drawing board. If completed the Palms would have a surface area measuring over 60 square kilometers, about the size of Manhattan, New York. One other project, “The World”—consisting of clusters of some 300 islands each roughly the shape of a nation-state that together form a political map of the world—is planned to have 9.3 square kilometers of surface but was slowed by natural, financial, and legal problems (Burbano, 2022).

These islands were built for the rich and superrich and were never intended to be a city in any real sense. The entire project might best be described as a playground suburb built to serve tourism in the city of Dubai and as real a city as Disneyland.

Having built it, they may come, but will they stay? Probably not.

Neom, The Line

The Crown Prince of Saudi Arabia, Mohammed bin Salman (often referred to by his initials “MBS”), is also strategizing for a post-oil future for his country. But unlike Dubai’s massive Club Med-like constructions, the Crown Prince’s ambition is to build an actual city, dubbed Neom,

from a clean slate in a largely “uninhabited” desert region of his country. The official website for the project states MBS’s grand vision:

NEOM is an accelerator of human progress that will embody the future of innovation in business, livability and sustainability.

NEOM offers many unique investment opportunities of different sizes across multiple industries.

According to the website,⁴³ “The Line” is only a single part of Neom,⁴⁴ but The Line intended to be the “city.”

The Line’s dimensions are truly breathtaking. It consists of a pair of parallel mirrored walls 200 meters apart, each 500 meters tall (taller than the Empire State Building), and extending eastward into the desert for 170 kilometers (100 miles)! The anticipated population when completed is nine million, the population of New York City. So instead of Le Corbusier’s “towers in the park,” we will have towering “mirrors in the desert.”

The estimated cost of the entire Neom project is \$500 billion, but some current estimates place that figure closer to \$1 trillion, more than the current gross domestic product of Saudi Arabia. Excavation began in 2022 starting with The Line, while some attractions are scheduled to open as early as 2024, with the rest completed by 2030 (Jones, 2022).

The signs are not encouraging. As reported by *The Economist* magazine,

Despite the high salaries, there are reports that foreigners [i.e. foreign consultants] are leaving the Neom project because they find the gap between expectations and reality so stressful. The head of Neom is said by his friends to be “terrified” at the lack of progress. (Pelham, 2022)

The Line can only exist as envisioned if it somehow manages to constrain the spontaneous complexity that will constantly push against its

⁴³ See the official website for Neom, The Line here: <https://www.neom.com/en-us/regions/theline>. Accessed 1 April 2023.

⁴⁴ Neo for “new” and M for the first initial of the Arabic word “Mustaqbal” for “future” and also for the first initial of MBS.

rigid design parameters, in which case it will drain the life out of the city and stunt its development. If successful as a utopia, it will fail as a city. Few want to live (and stay) in a place just because it has breathtaking architecture or boasts a superfast and sustainable transport system. What attracts us are the people there we hope to live and work with.

While *The Line* raises many obvious questions—Why a line? Who could afford to live there? Where will food come from and at what cost? Who will be displaced by the construction? How will this mirrored barrier affect wildlife and their migration?—our concern is with the problem of adaption with this construction. If it gets built, who or what determines where we should live or work, and how will the space constraint (as large as it is) adjust to the ever-changing needs of the population and the land-uses and densities that result? Will ordinary people even have much choice in the matter? How could they, given the intricacy, scale, and complexity of the imposed design?

Cartesian Rationalism, Again

Rather than dwell on the details of these constructions, let me simply remind the reader of the consequences of building so quickly on so massive a scale, where these include border vacuums, cataclysmic money, and pretended order substituting for emergent order. The trade-off between designed complexity and the spontaneous complexity of real, living cities that we have applied to Le Corbusier, Krier, etc., based on Jacobsian and Market Urbanist principles, applies no less to these contemporary schemes.

Though vastly different on the surface, these projects and some others discussed in this chapter are but manifestations of the same Cartesian rationalism that expands the range of decision-making to the point where S-judgments destructively displace O-judgments. They are high modernist utopias with a post-(or pre-)modernist veneer. And while their proponents may express concern with urban livability, sustainability, equity, and so on, there is scant appreciation for creative diversity, for messy trial and error, or for what we can learn about economics and social theory from Jane Jacobs.

4 What Then Might a City Be?

The nation-state is a relatively recent invention, a latecomer in the history of civilization (Parker, 2004). City and empire are far older. Political philosopher Pierre Manent, in his *Metamorphosis of the City*, writes:

The two great political forms, the two mother forms of the ancient world, are the city and the empire. They are the mother forms, but they are also the polar forms: the city is the narrow framework of a restless life in liberty; the empire is the immense domain of a peaceful life under a master. (Manent, 2013: 105)

City-states have been around a long time, indeed.⁴⁵

It would be folly to try to predict with any precision the global development of politico-economic systems, and the complex urban entities that will constitute them, decades from now. One trend may be a continuation of the age-old dream of political consolidation and the merging of nations into a global empire or super-state. But empires fade, while their capitals—Beijing, Athens, Rome, Cairo, Guatemala City, Baghdad, and London—live on. We have witnessed in modern times powerful forces of political disintegration, with the breakup of the Soviet Union and the exit of Great Britain from the European Union.⁴⁶ Those predicting the (re)emergence and dominion of the sovereign city-state could be right should these trends continue, heralded perhaps by the Startup Society movement or inspired by the city-states of Singapore, Dubai, and Monaco, which happen to be among the richest places in the world. There are economic forces at work here. As author and journalist Matt Ridley observes,

⁴⁵ A classic history of the city-state is Spruyt (1994).

⁴⁶ See, for example, the reporting on this trend here <https://aeon.co/essays/the-end-of-a-world-of-nation-states-may-be-upon-us> and here <https://www.nytimes.com/1996/06/02/weekinreview/ideas-trends-the-return-of-the-city-state.html>. Accessed 14 May 2023.

[such] fragmentation works best when it results in the creation of city states. These beasts have always been the best at incubating innovation: states dominated by a single city. (Ridley, 2020: 266)⁴⁷

Independent, largely self-governing cities long preceded the ancient empires of China, India, Mesopotamia, and Egypt, just as they preceded the creation of the European states, centuries after the dissolution of the Roman Empire in the West (Pirenne, 1980; Weber, 1958; Vance, 1990). As we have noted, the city is a natural unit of economic analysis but evidently also of political governance. Historian Geoffrey Parker writes:

Thus, ideally these nation-states are seen as being self-sustaining entities possessing their own independent internal structures. [...] However, analysis shows them to be largely artificial phenomena, the origins of which have lain in warfare and dynastic aspirations and the subsequent attempts of state governments to impose their own uniformity on pre-existing diversity. (Parker, 2004: 9)

Sociologist and historian Charles Tilly is blunter in his characterization of the nation-state:

If protection rackets represent organized crime at its smoothest, then war making and state making – quintessential protection rackets with the advantage of legitimacy – qualify as our largest examples of organized crime. (Tilly, 1982: 169)

Contrary to Krier’s notion of urban “maturity,” cities have shown themselves to be “scale-free,” capable of growth without upper bound in population, wealth, and other magnitudes that generally correlate with human well-being (as well as, of course, sometimes conflicts and disease).⁴⁸ The city has always been and will continue to be the driving force of

⁴⁷ Ridley also notes that “[o]ne of the peculiar features of history is that empires...are bad at innovation” (Ridley, 2020: 264).

⁴⁸ See, for example, the work of the Santa Fe Institute here <https://www.santafe.edu/research/projects/cities-scaling-sustainability> (accessed 14 May 2023) and reports on their work on the “superlinearity” of certain urban phenomena, also Krugman (1996).

cultural and economic change, even as the political authorities of nation-states have sought to contain it. But what can we say about the future?

Residents of a small, depopulated European town in 1000 CE, say Rome (population circa 25,000), would have had an accurate sense of what their “city” would look like and how it would operate in two or three generations, if they even bothered to wonder about such a thing. But residents of one of the growing number of new European settlements after the Treaty of Paris in 1229, *bastide* or imperial new town, would have had a harder time predicting the pattern of development in that same interval of time, even if the original settlement were planned very carefully. Just as Jacobs’s hypothetical New Obsidian grew from a trading post into a large, diverse, and innovative city, new towns and the ancient cities in the Late Middle Ages would evolve in ways no one could have predicted nor in ways that everyone in them would have liked. The paths taken by the “once-startup societies” of Frankfurt am Main, Lübeck, Hamburg, Paris, Venice, and Hong Kong—their morphology, economy, society, culture, and politics—were and will continue to be inherently unpredictable, along with their progress or poverty, as long as they remain living cities.⁴⁹

As we know, Jacobs herself proposes the careful disbanding of today’s nation-states as a remedy for what she sees as the destabilizing and deadening economic consequences of the distorting feedback of national currencies and their exchange rates.

The equivalent for a political unit would be to resist the temptation of engaging in transactions of decline by not trying to hold itself together. The radical discontinuity would thus be division of the single sovereignty into a family of smaller sovereignties, not after things had reached a stage of breakdown and disintegration, but long before while things were still going reasonably well. In a national society behaving like this, multiplication of sovereignties by division would be a normal, untraumatic accompaniment of economic development itself, and of the increasing complexity of economic and social life. Some of the sovereignties in the family would in their

⁴⁹ This open-endedness of urban evolution is nowhere more brilliantly illustrated on a smaller scale than the analysis of “Greene Street” in Lower Manhattan by development economist William Easterly. See this discussed at <http://www.williamesterly.org/research>. Accessed 14 May 2023.

turn divide as evidence of the need to do so appeared. A nation behaving like this would substitute for one great life force, sheer survival, that other great life force, reproduction.

As more of us appreciate the benefits or even the necessity of devolution, the transformation of nation-states into city-states or free cities, the highly improbable may become a reality. In this regard, I find the observation of Pasqual Maragall (the former Mayor of Barcelona) encouraging:

A Europe, a world seen as a set of nations are [sic] slower, with more opposed languages, than a Europe and a world seen as a system of cities. Cities have no frontiers, no armies, no customs, no immigration officials. Cities are places for invention, for creativity, for freedom. (Quoted in Hughes (1992: 37))

What we can say about the living cities of the future, what they will be, is therefore extremely limited. Normatively, to ensure their continued existence, we can look to the kinds of things Jacobs points out, and that we have examined in this book, which are important, perhaps indispensable, ingredients for the emergence of complex social order, innovation, and prosperity, whatever forms these may take. Positively, there is even less we can say about how they will actually look or what they will feel like under our feet and nothing for certain about their morphology, culture, governance, or socioeconomic characteristics. The consequences of unpredictable changes in ethos, technology, demography, and political economy are of course themselves unpredictable.

But I will hazard to say that robust public spaces, even in the face of pandemics and other such traumas, will continue to manifest some form of Sasaki's urban tactility and Jacobs's intricate diversity, along with their necessary imperfections. Again, any living city will have things, perhaps very many things, to offend us. But by the same token, a living city of the future will have wonders, delights, and a greatness that we cannot now possibly imagine and that even its inhabitants will not fully appreciate.

Works Cited

- Alexander, C. (1965). A City Is Not a Tree. *Architectural Forum*, 122(1), 58–62.
- Arab Business. (2023, January 11). Dubai's Palm Jebel Ali in Final Stages of Construction, Nakheel Searching for Contractors: Report. <https://www.arabianbusiness.com/industries/construction/dubais-palm-jebel-ali-in-final-stages-of-construction-nakheel-searching-for-contractors-report>. Accessed 14 May 2023.
- Beito, D. T., Gordon, P., & Tabarrok, A. (2002). *The Voluntary City: Choice, Community, and Civil Society*. Independent Institute.
- Bertaud, A. (2018). *Order Without Design: How Markets Shape Cities*. MIT Press.
- Beyer, S. (2022). *Market Urbanism: A Vision for Free Market Cities*. Market Urbanism Report.
- Boettke, P. J. (1990). *The Political Economy of Soviet Socialism: The Formative Years, 1918-1928*. Kluwer Academic Publishers.
- Burbano, L. (2022, October 18). What Happened to Dubai Man-Made Islands? *Tomorrow.City*. <https://tomorrow.city/a/dubai-man-made-islands>. Accessed 14 May 2023.
- Cheung, S. (1973). The Fable of the Bees: An Economic Investigation. *The Journal of Law and Economics*, 16(1), 1–33.
- de Jouvenel, B. (1956). Order Versus Organization. In M. Sennholz (Ed.), *On Freedom and Free Enterprise*. Van Nostrand.
- Evans, P. B., Rueschemeyer, D., & Skocpol, T. (Eds.). (1985). *Bringing the State Back In*. Cambridge Univ. Press.
- Frazier, M., & McKinney, J. (2019). *Founding Startup Societies a Step-by-Step Guide* (Kindle Edition). Creative Commons.
- Friedman, P. (2019). Patri Friedman on Charter Cities, Investing, and Society. At Village Global Venture Stories, podcast: <https://poddtoppen.se/podcast/1316769266/village-globals-venture-stories/patri-friedman-on-charter-cities-investing-and-society>. Accessed 14 May 2023.
- Gebel, T. (2016, April 22). Private Cities: A Path to Liberty. *The Freeman Online*. <https://fee.org/articles/private-cities-a-path-to-liberty/?fbclid=IwAR0a43sBafXlBYeY8YK0vVoQJD28YWqC6sHCNQa4eG3ofiW8XFnmwFQ2Xcs>. Accessed 14 May 2023.
- Gebel, T. (2018). *Free Private Cities: Making Governments Compete for You*. Aquila Urbis. Kindle Edition.
- Greif, A. (2006). *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*. Cambridge Univ. Press.
- Hall, P. (1998). *Cities in Civilization*. Fromm International.

- Hayek, F. A. (1942). Scientism and the Study of Society, Part I. *Economica*, 9(35), 267–291.
- Hayek, F. A. (1944). *The Road to Serfdom*. Univ. of Chicago Press.
- Hayek, F. A. (1948[1945]). The Use of Knowledge in Society. In *Individualism and Economic Order*. Univ. of Chicago Press.
- Hayek, F. A. (1973). *Law, Legislation and Liberty: A New Statement of the Liberal Principles of Justice and Political Economy*. Univ. of Chicago Press.
- Hayek, F. A. (1974). The Pretence of Knowledge. *Reprinted in American Economic Review*, (1989), 79(6), 3–7.
- Hayek, F. A. (1978). The Errors of Constructivism. In *New Studies in Philosophy, Politics, Economics and the History of Ideas*. Univ. of Chicago Press.
- Hughes, R. (1992). *Barcelona*. Vintage.
- Ikeda, S. (1997). *Dynamics of the Mixed Economy: Toward a Theory of Interventionism*. Routledge.
- Ikeda, S. (2022). Urban Planning and Urban Values. *Social Philosophy & Policy*, 38(2), 191–209.
- Jacobs, J. (1961). *The Death and Life of Great American Cities*. Vintage.
- Jacobs, J. (1969). *The Economy of Cities*. Vintage.
- Jacobs, J. (1992). *Systems of Survival: A Dialogue on the Moral Foundations of Commerce and Politics*. Vintage Books.
- Jacobs, J. (2000). *The Nature of Economies*. Modern Library.
- Jacobs, J. (2004). *Dark Age Ahead*. Random House.
- Jaffe, E. (2015, March 23). 6 Places Where Cars, Bikes, and Pedestrians All Share the Road as Equals. *Bloomberg CityLab*. <https://www.bloomberg.com/news/articles/2015-03-23/6-places-where-cars-bikes-and-pedestrians-all-share-the-road-as-equals>. Accessed 14 May 2023.
- Jones, R. (2022, July 23). Inside Saudi Arabia's Plan to Build a Skyscraper that Stretches for 75 Miles. *The Wall Street Journal*. <https://www.wsj.com/articles/inside-saudi-arabias-plan-to-build-a-skyscraper-that-stretches-for-75-miles-11658581201>. Accessed 14 May 2023.
- Karndacharuk, A., Wilson, D. J., & Dunn, R. (2014). A Review of the Evolution of Shared (street) Space Concepts in Urban Environments. *Transport Reviews*, 34(2), 190–220. <https://doi.org/10.1080/01441647.2014.893038>. Accessed 14 May 2023.
- Kichanova, Vera (2022). *Cities as Firms: The Coasian Case for Private Urban Development* (Unpublished Ph.D. dissertation). Department of Political Economy, King's College London.
- Kirzner, I. M. (1992). Prices, the Communication of Knowledge and the Discovery Process. In *The Meaning of the Market Process: Essays in the Development of Modern Austrian Economics*. Routledge.

- Kitto, H.D.F. (1951). *The Polis*. Abridged in LeGates & Stout (1996).
- Krier, L. (2007[1998]). *Architecture: Choice or Fate?* Papadakis Publisher.
- Krugman, P. (1996). *The Self-Organizing Economy*. Wiley-Blackwell.
- Lachmann, L. M. (1978). *Capital and Its Structure*. Sheed Andrews & McMeel.
- Lang, G. (2021). *Jane Jacobs's First City: Learning from Scranton, Pennsylvania*. New Village Press. Kindle Edition.
- Lavoie, D. (1985). *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered*. Cambridge Univ. Press.
- Legates, R. T., & Stout, F. (1996). *The City Reader* (1st ed.). Routledge.
- Manent, P. (2013). *Metamorphosis of the City: On the Western Dynamic*. Harvard Univ. Press.
- McCallum, S. H. (1970). *The Art of Community*. Institute for Humane Studies.
- Moody, S., & Melia, S. (2014). Shared Space: Research, Policy and Problems. *Research Repository*, University of the West of England: <https://uwe-repository.worktribe.com/output/808489>. Accessed 14 May 2023.
- Moroni, S., Buitelaar, E., Sorelm, N., & Cozzolino, S. (2018). Simple Planning Rules for Complex Urban Problems: Toward Legal Certainty for Spatial Flexibility. *Journal of Planning Education and Research*, 40(3), 320–331.
- Olson, M. (1984). *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities: Economic Growth, Stagflation and Social Rigidities*. Yale Univ. Press.
- Ostrom, E. (1990). *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge Univ. Press.
- Ostrom, V., Tiebout, C. M., & Warren, R. (1961). The Organization of Government in Metropolitan Areas: A Theoretical Inquiry. *The American Political Science Review*, 55(4), 831–842.
- Parker, G. (2004). *Sovereign City: The City-State through History*. Reaktion Books.
- Pelham, N. (2022, 30 July–12 August). MBS: Despot in the Desert. *The Economist*. <https://www.economist.com/1843/2022/07/28/mbs-despot-in-the-desert>. Accessed 14 May 2023.
- Pirenne, H. (1980[1925]). *Medieval Cities: Their Origin and the Revival of Trade*. Princeton Univ. Press.
- Project for Public Spaces. (2017). What Is Shared Space? At <https://www.pps.org/article/what-is-shared-space>. Accessed 14 May 2023.
- Ridley, M. (2020). *How Innovation Works: And Why It Flourishes in Freedom*. HarperCollins. Kindle edition.
- Ruiz-Apilániz, B., Karimi, K., García-Camacha, I., & Martín, R. (2017). Shared Space Streets: Design, User Perception and Performance. *URBAN DESIGN International*, 22, 67–284.

- Scott, J. C. (1998). *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. Yale Univ. Press.
- Segal, D. (2012, June 23). A Georgia Town Takes the People's Business Private. *The New York Times*. <https://www.nytimes.com/2012/06/24/business/a-georgia-town-takes-the-peoples-business-private.html>. Accessed 14 May 2023.
- Senthilingam, M. (2015). Shared Space, Where the Streets Have No Rules. *Future Cities/Transport* (CNN): <https://www.cnn.com/2015/10/05/living/shared-spaces-future-cities/index.html>. Accessed 14 May 2023.
- Spruyt, H. (1994). *The Sovereign State and Its Competitors*. Princeton Univ. Press.
- Steuteville, R. (2021, May 17). The Cayalá Effect in Guatemala City. *Public Square (A CNU Journal)*. <https://www.cnu.org/publicsquare/2021/05/17/cayal%C3%A1-effect-guatemala-city>. Accessed 14 May 2023.
- Strong, M., & Himber, R. (2009). The Legal Autonomy of the Dubai International Financial Centre: A Scalable Strategy for Global Free-Market Reforms. *Economic Affairs*, 29(3), 36–41.
- Tabarrok, A., & Rajagopalan, S. (2015). Lessons from Gurgaon: India's Private City. In D. Anderson & S. Moroni (Eds.), *Private Urban Planning: Opportunities and Limitations*. Edward Elgar.
- Tilly, C. (1982). War Making and State Making as Organized Crime. In: Evans et al. (1985).
- Vance, J. E. (1990). *The Continuing City: Urban Morphology in Western Civilization*. The Johns Hopkins Univ. Press.
- Vives, R., & Elmahrek, A. (2018, February 26). A Tiny City with Huge Problems, Maywood Faces Its Biggest Scandal Yet. *Los Angeles Times*. <https://www.latimes.com/local/lanow/la-me-ln-maywood-search-warrant-20180226-story.html>. Accessed 14 May 2023.
- von Mises, L. (1922). *Socialism: An Economic and Sociological Analysis*. Liberty Classics.
- Weber, M. (1958). *The City*. Free Press.
- Yardley, J. (2011, June 8). In India, Dynamism Wrestles with Dysfunction. *The New York Time*. <https://www.nytimes.com/2011/06/09/world/asia/09gurgaon.html?pagewanted=all>. Accessed 14 May 2023.
- Zeng, D. Z. (2012). China's Special Economic Zones and Industrial Clusters: Success and Challenges. In *Lincoln Institute of Land Policy Working Paper*. Lincoln Institute of Land Policy.
- Zipp, S., & Storrington, N. (2016). *Vital Little Plans: The Short Works of Jane Jacobs*. Random House.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons licence and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons licence, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons licence and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

