URBAN SYSTEMS

Cities in the Third Millennium

Josef Konvitz

INTRODUCTION

The city is the most complex form of social organization. Perhaps this explains its temporal endurance and global diffusion. It antedates the beginnings of the world’s great monotheistic religions, and has outlived the empires of antiquity to which its origins can be traced. From the perspective of urban time, therefore, the beginning of the third millennium of our era does not appear to have any particular significance. Indeed, if we are to speak of cities in terms of millennia, we had better adjust our chronology. In Western terms, the first urban millennium probably began around 800 BC and ended with the collapse of Roman civilization in the third century AD. The second millennium began around 800 AD and ended around 1800. The third urban millennium started around 1800 at the conjuncture of three revolutions: the industrial revolution which harnessed technological innovation and scientific inquiry to more productive uses of energy and new uses of materials, the political revolution which enshrined individual rights and democratic process in law, and the demographic revolution which pushed back the average age of death and increased the size of the population. The third urban millennium is already two hundred years old.

From another perspective, however, the transition into the 21st century does represent a major turning point. Within a few years, more than half of the world’s population will live in cities. This makes learning how to manage space better an urgent priority. Our ability to plan wisely for this future is grounded in some two hundred years of human experimentation and experience. The record has not been uniformly positive. Urban growth has often accompanied immiseration for millions of people; class tensions in industrial cities were a factor in the diffusion of two of the most sinister ideologies of the 20th century, communism and fascism, both of which discredited planning; and the environment is still not easily cleansed of the wastes and pollution which accompanied urban growth in the past. How can we manage space better?

There is a paradox about planning. Urban and regional planning is an exercise that commits resources for decades. Yet the circumstances and factors that will affect life in cities, even just 10 or 20 years from now, are almost impossible to predict. There is no alternative to planning in the context of uncertainty, but many of the policies and procedures that have shaped decision-
making in the 20th century are unsuitable for a more flexible and strategic approach. To manage space in the 20th century, large-scale bureaucratic systems regulated what can or cannot be done in different places.

This system has not been flexible enough, given the rate of economic, social and technological change. A city zoned into single-purpose districts, with uniform mono-functional buildings and land use patterns that risk becoming prematurely obsolete, lacks a degree of latent adaptability or resiliency. Nonetheless, control has remained the operative mechanism, the major contrast between modern Western cities and cities in developing countries being the degree to which development is controlled. Planning is at a critical state. Deregulation would simply make the city a residual, the product of social and economic forces. On the other hand, those who believe that the future of cities should rather be guided by a vision of the kind of city we want to inhabit have not yet solved the problem that different groups hold conflicting views about what future they want.

To move forward, we need to ground urban policy and planning in a better understanding of the nature of urban growth and change. The challenge lies in adapting policies to the nature of cities as dynamic and complex social and economic systems, and to the scope for freedom and creativity that urban life gives to people. In 1968, Edmund Bacon, the Philadelphia planner, wrote that the failure of cities “is brought about by the failure of intellectuals to generate a viable concept of a modern city and a modern region.” Of course Bacon did not mean that ideas alone matter; he meant that people would act on the city according to flawed ideas and assumptions if they could find nothing better. Implicit in his statement is the assumption that people who make decisions about the future of cities want to be better informed about critical variables and trends.

We must not underestimate the handicaps under which we labor. Because our major challenge is to learn to manage space in ways that are better for people, we need to understand some of the reasons why spatial thinking is so difficult in our culture. Politics, science and economics have all contributed to this state of affairs. Three hundred years of classical physics have propagated the assumption that for the purposes of understanding the laws of matter and motion, space is everywhere uniform. The system of modern statecraft which emerged from the hands of Richelieu and Louis XIV at the same time as Newton gave rise to the notion that the workings of the state and the application of laws operate uniformly within its borders, or in other words, in disregard of territorial differences. And finally, the concepts of modern economics which also date from this very decisive era of 1630–1730, and are associated with the teachings of Adam Smith about the wealth of nations a generation later, assume that although the workings of the economy depend upon comparative advantages which are distributed geographically, the laws of the economy apply everywhere in the same way. The global system, from this point of view, is grasped through an abstract form of reasoning; geographical knowledge therefore is descriptive in value, but not analytic. As a result, the ability to think in spatial terms has been devalued as a part of general culture. Yet spatial problems are more pressing than they have been for decades.
We may be at a decisive turning point, one of those periods when people question the goals and methods which have become normative because they realize that things will not improve unless there is change. A turning point of this order of magnitude, which represents a paradigm shift, may occur well within the space of a single generation. Much depends on where we think we are in this process. Assuming that this transition commenced in the early 1990s (the Rio Conference of the UN Commission on Sustainable Development in 1992, the Single Market Act in Europe in the same year, the rise of the internet, etc.), and is likely to last about twenty years altogether, then the years 2002–2008 may well be critical. In other words, we are only partway through this period of transition, but approaching its climax.

In what follows, I will divide my remarks into three parts. In the first, I will outline what some of the features of a new approach to the management of space might look like in due course. In the second part, I will ask the question where some of the problem areas may be. And in the third and final part, I will consider what modernism and postmodernism contribute to the politics of urban development.

PART ONE: HOW TO MANAGE SPACE BETTER

There are essentially three challenges confronting those responsible for the future spatial shape of the city: how to make progress toward sustainability, how to cope with the rapid rate of economic and technological change, and how to promote social integration and civic responsibility. What tools and concepts might the policymaker of 2020 have at his disposal to guide the development of cities and regions? What variables might he consider to be important, perhaps decisive, in deciding how, when, and where to intervene? What could be the criteria for success?

The answers to such questions call attention to an emerging policy field which at the OECD is called territorial development. This concerns the economic organization of space, based on the assumption that competition is increasingly a matter of how well each city, each region, can achieve its potential, based on their assets. (There is a paradox in the use of the term “territorial” in English, because the term in English has connotations of exclusive political control or even aggrandizement, whereas in our usage it refers to the spatial structure of the economy in terms of settlement patterns and networks that permit interaction and exchange. We no longer refer to the economic base of a city in terms of its hinterland, which is territorial in the old style, but in terms of its social and human capital). Territorial policies are not the simple addition of spatial planning, regional, urban and rural policies. They are a comprehensive set of actions which can be carried out by government to foster development in all its territories, to limit the disparities between them, and foster a more balanced distribution of population and economic activities so that remote rural regions are not abandoned, and major metropolitan areas are not overcrowded.

Territorial policies recognize that the changes associated with globalization and technological innovation, and with steps toward sustainable development, are
concentrated at the sub-national level. Territorial capital refers to the stock of assets which form the basis for endogenous development in each city and region, as well as to the institutions, modes of decision-making and professional skills to make best use of those assets. The unique role of territorial policies is that they make the spatial dimension explicit. Now that monetary, fiscal, sectoral and structural policies are increasingly similar across the countries of the developed world, governments are recognizing that territorial development policies may be the principal means by which countries distinguish themselves.

At present, spatial, social and economic policies for territorial development face three sets of problems: they do not have a high political priority; there are considerable difficulties in achieving cross-sectoral integration even by applying a territorial perspective; and institutional changes such as decentralization and devolution sometimes transfer greater responsibilities to regional and local authorities, but without adequate resources. These constraints can be overcome. In twenty years, the field of territorial development policy will give policymakers some powerful new tools and concepts. They might look like this:

**Territorialised Budgets**

How much is spent on territorial development, public and private sources, is a mystery at present. Indeed, scarcely a mayor or provincial leader knows how much is being spent within his jurisdiction from all public sources. Cost-benefit analysis is therefore almost impossible. No minister knows whether he is spending too much, or not enough. Under-spending might be even more serious than over-spending, because a modest increase in expenditure might yield significant benefits if a threshold is reached, but achieve very little below that level. Today, budgets are sectoral, not spatial. National budgets are designed without regard for where the money will be spent. Cross-sectoral integration however takes place at the territorial level. But for the most part, regional and local authorities cannot combine and adjust the sectoral streams which reach them.

A territorial approach would organize the sectors according to the needs and opportunities of different cities and regions. In 2020, national ministries for health, labor, education, transport, environment, etc., will compose their budgets on the basis of sub-national, territorial units, so that all the sectoral streams coming into a region will be transparent and can be co-ordinated.

**Territorial Impact Assessment**

Many of the spatial consequences of macroeconomic, sectoral and structural adjustment policies are simply ignored by central governments. Just as environmental impact assessments are now standard practice in government and are often required of private sector investments in many sectors, territorial impact assessments will become normative. Territorial impacts which are the implicit and perhaps unintended consequence of other policies may be positive, or
negative. And some sectoral policies arguably have a greater impact on territorial development than territorial development policy itself, such as highway construction or military research in the United States, or the Common Agricultural Policy in Europe. But in the absence of analysis, we do not know the answers to these questions. Many of the social, environmental and economic costs are internalized in the budgets of firms and households, reducing their productivity and wealth. These costs – or externalities – can be reduced if the territorial impacts of economic activity can be assessed better, ex ante, before, rather than ex post, or after the fact. Many policies for territorial development today address problems inherited from the past which are not remediated by economic growth alone. The opportunities for cross-sectoral integration will be enhanced considerably by 2020 by the widespread use of territorial impact assessments, which the technologies of digital mapping and global positioning should facilitate.

Reducing Disparities and Realizing the Potential for Growth

Disparities of income and opportunity within cities are most visible in the formation and spread of distressed urban areas, which now include between 5 and 10 per cent of the urban populations of OECD Member countries. The size of the urban population in Asia is expected to double, becoming twice as large as the entire population of the industrialized world today. The size of the middle class in Asia could be as large as the population of the European Union. We know however that poverty and underemployment will also exist.

Reducing disparities means not only implementing area-based strategies which often take 10 or 20 years to show dramatic results; it also means devising pro-active policies that reduce the social and environmental costs of the normal processes of structural adjustment and growth. Moreover, the gap between leading and lagging regions within countries may widen even as national economies continue to converge. In the past, redistributive polices raised income levels for many, but failed to improve the rate of growth.

By 2020, the practice of territorial development policy will give all regions the means to increase the stock of natural and man-made assets, and to grow faster by best use of endogenous assets, their territorial capital. The economic, social and spatial policies for territorial development will set a benchmark standard for policy integration and coherence.

International Markets for Urban Goods and Services

In the past, it was assumed that because buildings are assembled locally, construction is a non-tradable sector. This view was extended to cover a wide range of urban goods and services. But in recent years, globalization, including the opening of public procurement and public contracts to competition, has meant that firms are competing internationally for everything from the provision of street lights and parking meters, to the accounting systems for public water works, the design and construction of airports, and the installation of streetcar systems. Architectural and construction firms operate internationally. In the first
half of the 1990s, the largest construction firms in Europe, the United States and Japan all expanded their international sales at a faster rate than their domestic markets. But many countries still do not record the income earned from this growing aspect of the global economy, which instead shows up as part of the trade on infrastructure or the service sector. This sector is critical to the provision of cities in Asia and Africa undergoing rapid expansion, and represents an unacknowledged resource for innovations when local, domestic markets are too small or specialized.

The traditional distinction has broken down between the goods and services for export, called “basic” in the literature because they pay for what a city must import, and the goods and services traded locally, called “non-basic”. The number of manufacturing jobs, previously the mainstay of the basic category, is declining; the growth of services for export has been equally dramatic. The “non-basic” category now includes many things once considered to be non-tradables that are now part of world trade. Examples include, not only goods and services traded locally such as entertainment and fine dining which are important in competitiveness and help to attract business from outside, but also a wide range of products and services ranging from urban furniture, transit systems, management systems, design consultancies and architectural commissions which previously were highly localized and are now part of the service sector in global trade. Cities may exist to trade, but no longer is it possible to understand urban economies on the basis of a distinction between local production and consumption, and goods and services produced for or imported from elsewhere.

By 2020, countries will further liberalize their markets for urban goods and services by removing many of the remaining non-tariff barriers to trade in the form of local specifications or licensing rules. Countries will record the sales earned abroad by individuals and firms in the field of city-building and territorial development, and will measure the value added in city-building and management.

Sustainable Development Indicators

The OECD definition of an ecological city is not one which is already very clean, but rather is a city distinguished by the degree to which environmental considerations are incorporated into decision-making in public and private sectors alike. By this standard, a city with poor environmental quality has as much potential to become an ecological city as one which already has an environment of high quality. Achieving sustainability is a process that does not end. The environmental pressures associated with urban settlements and lifestyles, principally the generation of waste, air pollution associated with power and transport, water consumption and quality, excessive noise levels, and the contamination of land, are giving rise to better indicators, environment management systems, and the setting of targets. By 2020, only some 20 per cent of the built environment of existing cities in OECD Member countries will have been created or renovated through the regular process of growth, thus raising questions about how to adapt to new standards and norms the vast majority of
buildings and districts that already exist. Notwithstanding the gains achieved through incremental changes in land use patterns, in the ecological efficiency of buildings, and in various technologies, new problems will have emerged, but urban observatories will give early warning so that corrective steps can be taken.

By 2020, the precautionary principle and the concepts of carrying capacity and of the ecological footprint will have been internalized into routine practice. Economic instruments will be in place which assess property, less for its market value, and more for its environmental efficiency and latent adaptability. Today the more a property is worth, the more it is taxed; tomorrow, the more a property is ecologically sustainable, the less it will be taxed.

More important will be new and powerful sets of indicators that can be used in everyday life. As things stand, indicators more often measure phenomena that can be tracked quantitatively, not necessarily those which are most important. Furthermore, indicators are usually in the hands of experts, and not accessible to the public; and the updating of trends is infrequent. Let me make a comparison with the weather, which is a highly erratic and unpredictable system the evolution of which is monitored with a wealth of data, verified against historical records and the theory of physical phenomena, calling on the largest of super computers. Yet the result is a series of written and graphic summaries, easily interpreted by people with no knowledge of the laws of thermodynamics or of the behavior of gasses under pressure, who can thereby decide whether to carry an umbrella or wear a lighter garment. We will someday have a system of indicators which will help us to adjust our daily behavior – energy and water consumption, and appropriate travel modes, and the like – as easily as we now consult the morning weather report.

**Metropolitan Governance**

Fragmentation of administrative jurisdictions within metropolitan areas results in a lack of correspondence between administrative and functional territories, and inhibits cross-sectoral policy integration. This situation, which tends to be defended by vested interests, results in a complex policy environment in which area-wide consensus is difficult to reach on important medium and long term goals such as environmental quality, economic development and competitiveness, social cohesion, equitable public finance, and the level and quality of public services across the urban region.

This situation is compounded by the strain on the financial/fiscal ability of local authorities in metropolitan areas. In many countries, decentralization has been used as an opportunity for upper levels of government to transfer responsibilities to the local level without introducing the corresponding, but politically difficult, financial and fiscal reforms. It is not surprising to discover that there is a lack of transparent, accountable decision making processes and of clear political leadership at the local level.

There is no single ideal model of governance for metropolitan regions. However, some common elements that underlie good governance in metropolitan areas have been identified. The Principles which have been adopted by the
OECD Territorial Development Policy Committee are non-binding and do not aim at detailed prescriptions for national or sub-national legislation. National/state governments have an important responsibility for shaping an effective framework that allows cities to function effectively and to respond to the expectations of citizens and other stakeholders (OECD, 2001). It is up to local government and the communities to decide how to apply these Principles in developing their own frameworks for metropolitan governance. (A full set of the guidelines and principles appears in the Annex.)

By 2020, institutions will be more accountable and effective, better able to achieve policy coherence. The administrative and jurisdictional boundaries of metropolitan areas will have been adjusted, perhaps several times, to conform better to their functional area. Principles of good governance will have been normalized, leading to voter participation at local levels comparable to or greater than that at national levels, thus giving new life to the old adage, that city air makes men free.

Education for Urban Living

That the economy is increasingly knowledge-based is no longer questioned. A recent OECD study on the learning city-region concludes that it is not individual learning per se, but the use of that learning in firms that matters for regional performance. Lifelong learning and the concept of the learning city-region are still abstractions. The problems of integrating more diverse urban groups, and of preparing people to enter or remain in the workforce, will however provoke major innovations at the local and regional levels. Meeting the needs of international students, both children and adults, will become a priority as cities compete for knowledge workers. Organizational learning, for firms and communities, will become mainstream. Given the rapid rate of change in technology and knowledge, people will learn better how to “unlearn” information and practices that are outdated or inefficient. The creation of the Land-Grant colleges and universities in the United States and of the so-called “red brick” or polytechnic universities in the United Kingdom shows that it is sometimes necessary to set up a new institutional infrastructure to cope with research and education.

By 2020, many new institutions will have been created to promote learning, taking the place of existing institutions that fail to adjust rapidly enough to the new environment.

R and D Programs for Cities

Developed nations compare how much they are spending on research and development. Science and technology are considered key factors in economic productivity and competition, and econometric studies are routinely undertaken to show the relationship between investment in research, and output. Urban issues scarcely matter to the defense establishment and other government agencies, and to industrial firms, which set national research agendas. We know more through historical research about how people acclimatized to cities 150 years ago than
we know about the process of adjustment today. In a provocative essay written ten years ago, Ditha Brickwell pointed out that cities ought to have a direct influence on research policy, and she suggested two key global issues: how to cope with the problems of housing and feeding the poor, and how to respect and guarantee human rights. Problems of safety and density, to mention two, call attention to the need of cities for a social technology. Brickwell stipulated that the criteria for technological choices should favor intelligent systems which are adaptive to demands and which enforce demand-side management; technologies which allow implementation in steps and components, thereby making adjustment to changes of facts and attitudes continual; techniques which allow for the optimization of material flow with reduced environmental costs, and technologies which enable the participation of all sectors of the labor force, which offer jobs for training and better qualification, and which sustain arts, crafts and services.

By 2020, research budgets will have been adjusted to reflect the importance of urban issues, and new firms will have emerged to develop and bring to market a new range of urban services and technologies that improve everyday life and the agglomeration effects which are so important to business in the city.

Urban policy today is far removed from what a framework for cities should be. Heretofore, policies have been largely remedial. Policy has failed to keep pace with urban change and the growth of the global economy. Everything in the previous section is based on the assumption that policies for cities and regions can become pro-active and forward-looking. A territorial approach might be called utopian, but it is not impossible.

Territorial policy calls for a conspicuous if not decisive role for the state, with a high degree of public participation. The private sector, composed of individual owners, developers and corporations, will still control most of the funds invested in urban development. But it shares responsibility with elected officials and government for the framework of ends and means by which private capital creates places for living and working in cities. Privatization and regulatory reform have changed how government works, but they have not changed the nature of the problems facing government. To be realistic, unless there is a broad consensus which can extend over electoral terms and economic cycles, medium-term strategies, especially if they bring change to the status quo, can be difficult to sustain.

PART TWO: PROBLEM AREAS, OR THE GEOPOLITICS OF URBAN DEVELOPMENT

Between today and 2020, crises will occur. Can we be so confident that there will be no major war involving the great powers and the economies of the developed, industrialized world between now and 2020? Will popular support in favor of greater trade liberalization, immigration, and economic reform remain strong, or will a protectionist and nationalist movement, basically capturing the anti-urban ideology of community, emerge from the right in a marriage of convenience between agricultural and industrial producers, as happened in
the 1890s? Will there be another Great Depression to depress investment, create unemployment, undermine security and confidence, and destabilize democracy? In this section of my paper, I want to call attention to some of the fault lines and problem areas that show how urban issues might intersect with other major sources of conflict. Sometimes crises serve to accelerate the introduction of changes when reforms are blocked. This could be favorable. But in a period of crisis, policymakers may never have a chance to implement a territorial development strategy. Cities could become dystopian, not merely victims of forces that they cannot control, but perhaps also agents of their own destruction.

External Crises

The highly interdependent nature of economies in a world in which 500,000,000 people live outside their country of birth (approximately 5% of humanity) means that cities are exposed to shocks of different kinds. A simple listing would include global climate change, natural disasters, energy crises and a great depression. Half of humanity lives on the coast of a sea, and this trend toward coastal urbanization is certain to continue, as there is no evidence that people intend to move to upland or mountainous areas if they have a choice. A large portion of humanity is at risk of flooding or severe water shortages. Meanwhile, an increase in the sea level could well expose many cities in both developed and developing countries to the fate of Venice. Efforts to adjust to climate change may not be undertaken gradually, but in response to overwhelming threats which test the solidarity of nations. Geological fault lines make it likely that Istanbul and perhaps Tokyo will suffer major earthquakes within 20 years, and these would be disasters on a scale that cannot be compared with any previous catastrophe. Finally, the next century could mark the end of the petroleum era, which would then have lasted about as long as the coal era which preceded it, about 250 years. And the systemic risk of a major economic depression, however unlikely, cannot be excluded.

Most worrisome is the evidence that governing structures are far from prepared to handle major crises. The lessons of past failures are difficult to apply proactively. Perhaps each generation has to pass through its own crucible. The point is that cities are exposed to major disasters of different kinds, some of which could occur concurrently, and lack the means to cope effectively. Meta-disasters by definition are a supreme test of the capacity of social and economic systems to recover or die.

Geopolitical Fault Lines

Many cities exist in regions which can be described as fault lines that are geopolitical, not geological in nature. Many of the largest cities and many rapidly urbanizing regions are in this category, which includes the East Asian archipelago extending from Korea to Hong Kong via the straights separating Shanghai from Taipei and Kaoshing; the North African littoral from Casablanca to Cairo, the US-Mexico border from San Diego-Tijuana to Juarez-El Paso, the Baltic tri-
angle of Helsinki-St. Petersburg-Tallin, and the network linking Berlin, Warsaw, Prague and Vienna. These regions may be a positive factor in the growth of trade and interdependency, but tensions can also build up along borders between different economic zones. Cities in these regions are particularly exposed to changes driven by political decisions and trends. In developing countries, the biggest issue may be the benign attitude of government to accept rapid urbanization on terms which avoid necessary infrastructure investment and enforcement of building codes and planning norms.

Cities may be strategic assets as countries try to take advantage of change: this is the case, for example, of Berlin, Vienna and Warsaw, or of Seoul, Fukuoka, and Shanghai. The interests of cities however may conflict with the interests of nation-states, especially if strong regional disparities in nation-states exacerbate tensions that the nation-state cannot manage without trying to control cities, historically a futile exercise unless carried out by force. In such a circumstance, some cities, such as those in the East Asia archipelago linked by maritime networks, might find that they have more in common with each other than with their territorial hinterlands. The possible disintegration of the nation-state however would marginalise backward areas even further, thus accentuating the tensions and disparities which already are one of the principal drivers of international migration. The costs of nations pulling apart are fortunately based on but a few examples, but those show how expensive it can be. This does not necessarily dissuade people from pushing things too far.

War strengthens nation-states and circumscribes the autonomy of cities. The possibility of war cannot be excluded simply because for the past ten years following the end of the Cold War, international conflict has not erupted in most parts of the world where international tensions had often been high between 1945 and 1989. The expansion of NATO to the East in Europe is only one indication that the geopolitical system for regulating conflict is operating under new constraints which have not been tried in crisis.

Greater autonomy for cities is easier when the risks of conflict are low, as the experience of Western Europe within the European Union demonstrates. The relation between cities and states works in both directions. Historically, cities – or rather urban culture and institutions fostering freer communications, enforceable contracts and property rights, rule of law, and the resolution of conflict through negotiation — have acted as a check on the arbitrary power of the executive state. Cities without states can be defenseless; but states without cities can be autocratic.

**Internal Fault Lines**

We cannot ignore the internal fault lines in cities that may indicate fundamental problems in social and economic systems. Thus we find cities that have a disproportionate share of the wealthiest and poorest people, of the best maintained and most polluted landscapes, of the safest and most dangerous areas. The mental hospital and the university library, the public square where people mingle freely and the overcrowded prison – the twinning of opposites is a literary art practiced
by all who have written about cities or featured cities in their creative fiction. Critics of cities often seize on the fact that cities are full of contradictions, as if this is some fatal flaw. This is an issue dear to polemicists and researchers alike: does globalization intensify social polarization in cities? If this is the case, then we indeed face an impossible choice: what if economic growth, which reduces poverty and improves the quality of life, also undermines the social conditions which provide the foundation for trade, innovation and investment?

We should be careful lest we jump to the conclusion that urban development itself is doomed by internal contradictions that by definition cannot be resolved.

Some problems endemic to cities, such as epidemics of cholera or other infectious diseases which were responsible for high urban mortality rates, as well as promiscuity and overcrowded housing, are largely a thing of the past, replaced perhaps by concerns about AIDS and fears of biological terrorism. But let us be honest with ourselves by admitting that our list of fears and concerns is more than a little subjective. The urban underclass and the informal economy are often exploited by the media. Mental health questions, for example, are largely ignored not only in the literature, but in the work of major organizations with a responsibility to cover the urban agenda. There is a risk that problem areas and groups will be contained through strategies of repression, isolation and surveillance, but at a price by restraining the freedom and invading the privacy of everyone. The result could be a decline in the strength of cities and in their problem-solving capacities.

What matters is how people react. Daniel Patrick Moynihan, when still Senator for New York, wrote a penetrating article called “Defining Deviancy Down” in which he argued that Americans have a tolerance or capacity to handle only a small number of social issues or problems at a time. When a new problem emerges which demands attention, others simply get assimilated into a category of things people learn to accept and live with, as if this is simply how things are. It would be worth comparing societies internationally from this perspective, because the range of sensitivities and the thresholds at which urban circumstances are perceived as problems certainly do vary from country to country.

The future may be characterized by a splintering urbanism, to use the title of a new book by Steve Graham and Simon Marvin. They may be right, but this outcome would deflect political attention and investment away from cities. Urban problems may be tackled if people are frightened enough of the consequences, but I submit that an optimistic and uplifting ideal has been responsible for more initiatives to transform and rebuild cities. The inspirational ideal is that of the cosmopolitan city, the city that is the home of mankind.

Having tried to identify some of the major risks facing cities, some with the potential for far-reaching effects on economic and social systems, it is worth recalling that the theoretical origins of strategic bombing theory had its roots in an analysis of the strengths and weaknesses of cities. In the 1910s–30s, the belief was widespread that urban society was so dependent on complex technological systems that it could not survive their destruction. Not only did it prove more diffi-
cult than expected to destroy these systems; urban people demonstrated that they were far more resilient and adaptive than urban social analysts had predicted.

The greatest disasters of the 20th century include the destruction of San Francisco and Tokyo by earthquakes, the shelling of Reims and Louvain, the bombing of Lorient and London, of Hamburg and Hiroshima, and the sieges of Warsaw, Leningrad, Stalingrad and Berlin. Although external threats cannot be ignored, the danger of urban mismanagement is no less real for being insidious and acting slowly, with consequences that are, ultimately, more long-lasting. The destruction of Rotterdam was made good decades ago, but the decline of Detroit festers.

PART THREE: RESOLVING THE CONTRADICTIONS

In the first part of my presentation, I outlined an admittedly optimistic scenario whereby those responsible for urban development would have available to them a range of policy tools and analytical concepts of great potency and effectiveness. This was followed by a discussion of some of the likely crises which might lead not only to disinvestment and a flight to security, but a breakdown in the very institutional and social fabric by which large urban economies function. The truth probably lies in the middle between these extremes. But even this middle ground will be difficult to achieve. Nonetheless, the goal remains to reconcile economic growth, social cohesion and environmental sustainability.

This is a conference about tall buildings and the urban habitat. There can be no future for tall buildings if large cities are not viable. In recent decades, two powerful trends have been acting upon the physical, social and cultural structures of cities, urban decentralization and urban deconcentration. These two trends are of course linked, but they are different. Urban decentralization has replaced dynamic, centripetal urban cores or centers with centrifugal, dispersed, polycentric patterns. Urban deconcentration has replaced the crowding of people at higher densities with the spread of people at lower densities over larger areas. They have made the challenge of making cities viable in the 21st century more difficult by exacerbating many negative social and environmental trends, complicating decision-making and the formation of strategies the public will support.

There is widespread concern about how large cities should be, what form they should take, and what will be there future. Very few countries have a balanced, polycentric urban system – Germany, and to some extent, Australia and Canada come to mind. In most countries, the dominance of a single primate city is characteristic. These cities tend to offer a range of opportunities and a quality of life superior to what can be found elsewhere, thus feeding on their own success up to the point that their size generates dis-economies and dis-incentives. At that point, governments often discourage expenditure to make these cities more attractive and functional, out of fear that they will grow even larger and absorb more resources and people, compromising the prospects for development elsewhere in the country. This conceptual formulation of urban dynamics...
ignores the critical role that some cities play in both national and international circuits of exchange and markets, a role that facilitates economic activity in the very regions the government would like to help. The loss of efficiency of Seoul, Mexico City, Tokyo, of Helsinki and Milan, of Bangkok and Tel Aviv, may not benefit other places but simply hurt the country as a whole. The world’s megacities may not be consistent with an ideal pattern of sustainable development, but their collapse could be even worse than their growth.

The spatial structures and distribution of activities in these key cities are changing. Their cores, their historic central areas, are often weakening, to the benefit of newer edge-city districts. This is the case in Rio and Mexico, Washington and Johannesburg and London. There is a paradox to this pattern: the high end of the global economic is concentrated in a small network of cities; but cities which are increasingly integrated into the global economy, which is thought to be a source of strength, may be undergoing processes of social and spatial change internally threatening their competitiveness and sustainability. The social-spatial fracture is the more acute form that this takes, weakening the stakes that people feel in the future of the city as a whole, and strengthening their demand for security at the neighborhood level and their willingness to segregate.

The dynamics of social and economic relocation within an urban region, when new business and residential districts are being built, may help drive the construction sector locally, but can ultimately weaken social cohesion, and raise the public sector costs for infrastructure. The processes of de-concentration and decentralization within a single large metropolitan area are however largely ignored in macroeconomics. To a macroeconomist, the city remains something of a black box phenomenon: he knows that cities raise national output and productivity, but exactly what happens in cities, and the impact of spatial organization on the outcomes, cannot be easily observed or analyzed. This gap in our understanding leads many to conclude that cities do not need a center. I want to explore the implications of this issue on the coalition and consensus-building needed to support urban development strategies.

The erosion of city centers has probably been greater in the United States in recent decades than elsewhere. Given the tendency to consider that the US today is an indication of trends which will be manifest elsewhere in the future, we should ask what the record of that experience indicates for the future of policy. The Fannie Mae Foundation (US) commissioned a survey that asked urban scholars to rank the key influences shaping the past and future American metropolis (Fishman, 2000). One hundred and fifty scholars responded, selecting the top ten influences for the future from a list of 50, in order of their importance. The ten items considered most likely to influence the American metropolis for the next 50 years are:

- Growing disparities of wealth.
- Suburban political majority.
- Aging of the baby boomers.
• Perpetual “underclass” in central cities and inner-ring suburbs.
• “Smart growth”: environmental and planning initiatives to limit sprawl.
• The internet.
• Deterioration of the “first-ring” post-1945 suburbs
• Shrinking household size.
• Expanded superhighway system of “outer beltways” to serve new edge cities.
• Racial integration as part of the increasing diversity in cities and suburbs.

Most of the items on this list are negative, posing social, economic and governance challenges for which solutions are neither obvious nor easy, especially if the suburban political majority (2) is passive or hostile. Only one, the last item, is explicitly positive. This list shows that the preconditions for a political solution to urban problems may not exist in the US.

When the social basis for collective living has stretched too far and too thin, the economic and political basis for investment in urban centers is eroded. This condition became dramatic in the US, but there are also success stories. A recent American government survey of urban revitalization concluded that the “dynamic, committed leadership from elected officials and private sector and nonprofit partners” is critical to a successful transition to a 21st century economy. No surprise here. The largest cities in this study were Denver and Oakland, CA, the rest being cities of intermediate size such as Akron, Ohio, Fargo, North Dakota, and Wilmington, Delaware. Downtown redevelopment was first on the list of strategies for a successful economic revitalization. This is perhaps easier in cities that are not very large, especially when considering the prominence given to the social–spatial fracture in the Fannie Mae survey cited above. By contrast, a polycentric urban region can compensate for the erosion of the traditional urban center. Ironically, the largest urban areas, which are the places most conducive to the construction of tall buildings, and which have the greatest opportunity to improve sustainability through the efficiency of density, are also the urban areas which may have the greatest difficulty in reversing a pattern of decline in their centers.

The problem of forging a consensus on what needs to be done for cities can be illustrated further by exploring the differences between modernism and post–modernism which represent two very different views of urban society, and two different approaches to problem-solving.

Modernism had its greatest impact on cities during the period 1880–1960. Modernism was grounded in the assertion that there are principles and rules by which buildings and cities can be ordered. One can in fact talk of a tradition of modernity: a spirit of reform linked to an architectural and planning vocabulary suitable in a great variety of places and at many different scales, based on principles of reason and the criterion of meeting human needs. From this perspective, the Gothic revival of the mid-nineteenth century was just as much a phase of modernism as was the neo-Classical revival of the late-eighteenth.
Modernism recognized that the scale on which planners work is far greater than the scale which individuals inhabit and use on a daily basis. As a result, the techniques for giving form to urban space, to prepare them for development, have tended to shade the differences between people, to standardize around the average. This was above all typical in the Fordist era of mass production, when building and planning by rules and norms made possible the progressive expansion of the city while eliminating a range of environmentally unsound and unsanitary practices.

The lessons and achievements of the modernists are often forgotten now that technology provides many of the physical elements needed to make life comfortable. Modernism emphasized the need to improve environmental conditions and to give people access to light and space; it created public spaces appropriate to large urban crowds yet still often intimate enough for people to be alone; and above all, it asserted that people of different backgrounds must understand the city to make best use of it – hence the pursuit of a visual language designed to communicate clearly and meaningfully.

Postmodernism, by contrast, rejects the very idea that design can meet the needs of different people in a coherent manner, based on the argument that people are too diverse, and that any effort to develop a coherent style involves a relationship of power. It has been sensitive to issues of race, gender and ethnicity that found little place in modernist views of urban society.

Postmodernists hold that a holistic understanding of the city is impossible because cities by their very nature are marked by, and indeed generate, insurmountable social, economic and cultural divisions. From the postmodernist point of view, there are no objective standards against which a city and the conditions of life of the various groups living in it can be evaluated. Even the observer has no fixed point from which to take in the city and its experiences. Thus, postmodernist architecture violates classical norms about proportion and decoration as a way of proclaiming that there are no standards of beauty independent of a given time and place. Many postmodernists attack the shared public space and culture as an agent used by hegemonic groups to maintain their position and to dissimulate their power. Policymakers and politicians who are still trying to build coalitions and bridge differences do not see the city this way, however. They need a way to understand and act upon the city as a whole.

Postmodernism reflects the widely-shared perception that the future is uncertain and problematic; but the future has always been thus. Modernists may simply be more confident that the challenges of the future can be met. The problems of social fragmentation, environmental degradation, and structural economic change are real, but postmodernism is better at analysis than at providing the basis for policies that can address them. Perhaps we can indulge ourselves with postmodernist culture; we cannot afford postmodernist politics.

Ultimately, the problem of urban policy is a problem about how political advances can keep pace with economic change. Each of the three major periods of urban development since the Renaissance expanded political rights and economic opportunities, albeit through a process of change that was often highly
conflictual. The late 17th and 18th centuries witnessed the creation of capital and commodity markets for the first major metropolitan centers of the Atlantic world, but also checks on arbitrary government and on the dominion of the military over cities, as well as the emergence of individual rights enshrined in law. Urban growth in the period 1880–1920 accompanied the introduction of modern telecommunications, infrastructures, electrification, mass production and retailing, as well as modern social welfare systems and universal suffrage. The economic opportunities of our era, combining globalization, environmental gains, and information and communications technology, are fairly clear to discern. But their implications for the exercise of democratic rights and for the protection of the rights of the individual are not so apparent.

Ever since the Renaissance, critics of the city have argued that because urban conditions are difficult to control and predict, cities – or at least very large cities – are a threat to economic, social and political stability. In the past, apocalyptic predictions of the collapse of cities have usually exaggerated their vulnerability to internal fractures and external shocks. The possibility of catastrophe cannot be excluded, but the history of cities shows that people can learn to resolve problems that are as difficult to anticipate as they are complex. Cities are not only the place where innovation occurs; the process of innovation can be applied to the solution of urban problems.

To summarize and conclude: a symbiosis is needed between the best of modernism and the best of postmodernism, not as styles, but as modes of reflection about cities. This means taking on modernism’s concerns about efficiency on the one hand, and postmodernism’s about identity on the other. These are two of the defining parameters of our time. But the one looks so objective, and the other so subjective, that a symbiosis looks impossible. They are in fact interdependent. The capitalist economy increases choices, giving people more control over their lives, more information, and more responsibility. Identity is about self-worth and dignity, the opportunity for individual mobility and self-development, the cohesion of communities, and freedom of expression. Both affirm the variety inherent in human experience; both explain why democratic systems are more tolerant, and cope better with problems, than autocratic and centrally-controlled ones. Social diversity is a positive factor in economic development; the modern economy supports a vibrant, complex society.

What has this to do with the conference then, tall buildings and the urban habitat? The principles of modernism operate at the macro scale which is appropriate to a large labor market, and problems of the environment, land, housing, transport and energy at the regional level. At this level, the location of investment is shaped, and major strategic issues resolved. Postmodernism is relevant to the micro scale at which people find meaning and understand everyday life in a small part of a city-region where issues of health, security and education are upper-most. At this level, families are formed, children are nurtured, culture and civil society flourish. If this symbiosis is found, then the viability of cities for investment in tall buildings will be coherent with the demand of people for cities as better places in which to live and work.
REFERENCES

Brickwell, Ditha, 1991

Fishman, Robert, 2000

Graham, Steve and Marvin, Simon, 2001

Moynihan, Daniel Patrick, 1993

ANNEX

Principles of Metropolitan Governance

Despite the affirmation that there is no one model of metropolitan governance, it is clear that (in addition to the broad principles which underlie any adequate system of democratic government – accountability, accessibility, representativeness, constitutionality, and protection of fundamental freedoms) a number of principles can also be applied in order to define the adequacy of systems of governance for urban regions in the 21st century. Classified in alphabetical order, these are:

*Coherency:* This principle states that governance must be intelligible to the electorate. A system based on a welter of agreements, complex formulae and compromised principles is inefficient. One of the main complaints is that nobody understands who does what. Confusion breeds indifference and apathy which in turn provide the ideal atmosphere for corruption and demagoguery.

*Competitiveness:* Governance must be associated with competitiveness. Urban regions are emerging as the main units in the world economy. As national barriers to trade fall, and as the factors of production become increasingly
mobile, there should be an emphasis on investment in social and human development and in appropriate hard and soft infrastructures, rather than on reducing municipal taxes as a means of attracting investment.

**Co-ordination:** Given the administrative fragmentation of metropolitan regions, co-ordination among local authorities across jurisdictions, and between elected authorities and various regional boards or agencies with functional or sectoral responsibilities, must be a priority. This is especially important to assure a basis for strategic planning.

**Equity:** The institutional and financial arrangements in metropolitan regions must be designed to achieve as high a degree of equity and equal opportunity as possible among the composing municipalities and between the various social groups making up the population of the urban region. This will require greater pooling of resources.

**Fiscal Probit:** Any system must be created with the explicit recognition that the costs of governing most urban regions must be reflective of benefit received. Debt load and the tax rates are high in the urban centers of many OECD countries, and cannot be sustained in the face of strong international competition for investment. If cities are to meet the key social, environmental and economic challenges of our time, they must ensure careful resource stewardship.

**Flexibility:** Institutions must adapt as necessary to cope with rapid changes such as urban growth and swings in economic conditions due to globalization.

**Holism:** Any system must reflect the potential and needs of the entire urban region because this is the area that defines the economic and the environmental challenge. Each part of an urban region affects all others: this does not necessarily mean that all parts of the region require the same system of governance, but it does mean that all parts of the urban whole must be considered in the analysis.

**Particularity:** The principle of particularity states that, except where the case for standard policy is founded on human rights and immutable standards, policies and institutions of government must be crafted to fit the unique circumstances of various parts of the country. This principle is also important to more localized policy and institutions because it permits construction of unique solutions for various areas within the urban region.

**Participation:** Governance must fully take into account, and allow for, the participation of representatives of community groups, women, the elderly and the young, the business sector, social partners and all levels of government involved in the metropolitan area. New technologies and methods of communication can encourage and support more inter-active policy environments, bringing government closer to people.

**Social, not sectoral:** The objectives and institutional frameworks of metropolitan governance should meet the needs of people, which requires a cross-sectoral approach rather than one based on sectoral divisions which tends to perpetuate a bureaucratic, functionalist approach.
Subsidiarity: For the quality governance to be the best (and the costs least) services must be delivered by the most local level that has sufficient scale to reasonably deliver them. The principle rejects functional duplication and overlap. The principle of subsidiarity and the principle of holism together suggest a major decentralization of service delivery responsibility to local governments within a context of powerful policies and guidelines promulgated by senior governments. This would set limits on the principal means of governmental oversight as it is now practiced – duplicate review, multiple agency veto, second guessing and ad hoc revision as a means of control over local municipalities.

Sustainability: Economic, social and environmental objectives must be fully integrated and reconciled in the development policies of urban areas. This means adopting an “outcome” oriented approach which is holistic and integrates short, medium and long term considerations. In environmental terms, it means managing the metropolitan region in the context of the wider bio-region, the qualities and potential of which must be enhanced and preserved for future generations and as a contribution to a sustainable planet. In social terms it means ensuring that social cohesion is maintained and strengthened.

Josef Konvitz is Head of Division, Territorial Reviews and Sustainable Development, Organisation for Economic Co-operation and Development, Paris. This article is published on his own authority, and does not necessarily represent the views of the OECD.