

# URBAN INTERVENTION, PROSPERITY AND WELL-BEING

FERRE CLABAU\*

Fecha de recepción: 20 de noviembre de 2020

Fecha de aceptación: 21 de abril de 2021

*Abstract:* Friedrich Hayek argued that interventionism manipulates “local knowledge” within a society and is therefore detrimental to its economy. Following an explanation on how interventionism can alter the character of people through the case-study of legal positivism, this essay focusses on the manipulation of a city’s local knowledge through “rationalistic urban planning” in particular. After contextualizing the debate between Jane Jacobs and Robert Moses, this essay strengthens the arguments made by Sanford Ikeda on how urban interventionism stifles human action and erodes the entrepreneurial creativity of a city’s people, having destructive consequences on both the economic vibrance and the mental state of individuals. The subversion of social interactions that results from top-down urban planning is argued to be destructive to the mindset of perseverance and responsibility, which makes this topic essential to the Austrian critique of the current dominant economic and societal paradigm.

*Keywords:* Urban planning | Interventionism | Local knowledge | Spontaneous order.

*JEL Classification:* A13, B53, I31, Z13.

*Resumen:* Friedrich Hayek argumentó que el intervencionismo manipula el “conocimiento local” dentro de la sociedad, lo cual es perjudicial para su economía. Tras una explicación sobre cómo el intervencionismo puede alterar el carácter de las personas, este artículo se enfoca en la manipulación del conocimiento local de una ciudad a través de la “planificación urbana racionalista” en particular. Después de contextualizar el debate entre Jane Jacobs y Robert Moses, el artículo refuerza los argumentos de Sanford Ikeda sobre

---

\* PhD Candidate URJC. Email: ferreclabau@gmail.com

cómo el intervencionismo urbano sofoca la acción humana y erosiona la creatividad empresarial de los habitantes de una ciudad, con consecuencias sobre la vitalidad económica y el estado mental de los individuos. Se argumenta que la subversión de las interacciones sociales, que resulta de la planificación, es destructiva para la mentalidad de perseverancia y responsabilidad. Por lo tanto, este tema es esencial para la crítica Austriaca del paradigma económico y social dominante.

*Palabras clave:* Planificación urbana | Intervencionismo | Conocimiento local | Orden espontáneo.

*Clasificación JEL:* A13, B53, I31, Z13.

## I INTRODUCTION

“Neurologically, people have a need to feel oriented, to know where they are, not just in terms of a compass and not just in terms of geography, but in terms of their culture and history. To be informed about where they’re coming from and to have some glimpse towards a hopeful future.”<sup>1</sup>

James Howard Kunstler

There is a lot of truth to the claim that it is often harder to become aware of and reflect on the everyday elements we constantly experience and take as a given than on more complex and abstract schemes of things. When asked about the key issues or main influences of economic prosperity, for example, people will often reduce the conversation to some ideological debate - the answer will consist of a certain ideology or financial system, the necessity of certain rules or the necessity to abolish them. Not many would answer that the heart and soul of this issue is simply the buildings we see,

---

<sup>1</sup> KUNSTLER, J. (2007, May 16). “How bad architecture wrecked cities.” YouTube. [https://www.youtube.com/watch?v=Q1ZeXnmDZMQ&ab\\_channel=TED](https://www.youtube.com/watch?v=Q1ZeXnmDZMQ&ab_channel=TED)

the faces we meet, the roads that we walk and the places where we live.

Architecture and urban planning, however, are some of the most politicized forms of art, having a major impact on the economic activities of the citizens who are subjected to it, and therefore even the psychological well-being of those citizens - since it is not just the mindset and the convictions of a people that shape their economic expressions, but also vice versa.

In Ancient Rome, architectural design was one of the main tools of governance. As historian Penelope J.E. Davies explains in *Architecture and Politics in Republican Rome* (2017), Julius Caesar had 'abused visual culture' as a form of governmental rhetoric to such an extent that Cassius Dio thought it could very well have been one of the reasons for the revolt against him.

During the Middle Ages, the splendor of churches was a main spiritual motivator in war, and therefore often the target of military charges. As explained by Daniel R. Brunstetter in *Just War Thinkers: From Cicero to the 21<sup>st</sup> Century* (2018), this happened not necessarily for ideological reasons or religious convictions, but for the mere reason that this loss of beauty would demoralize the enemy.

The famous "panopticon" design by utilitarian philosopher Jeremy Bentham has been implemented throughout the ages. When a 'watcher' is capable of seeing any prisoner from his watchtower, it becomes quite irrelevant that he is incapable of seeing them all at once, since the lay-out has planted the idea in the prisoner's head that he 'could be watched this very moment', manipulating him into desirable behaviour. A variant has been popular in high schools, especially in Northern and Western Europe, where the windows of the classroom look out onto a corridor connecting all classes, creating the idea that the principal could pass at any moment, capable of seeing the student misbehave while the teacher is unaware.

Postmodern philosopher Michel Foucault interpreted the physical panopticon of Bentham as a symbolic mechanism of social control in *Surveiller et punir* (1975), claiming that the modern world defines itself not by punishing its citizens through pain and torture, but rather by trying to discipline them through rejection and

denigration instead. We can see these ideas take shape not only in countries where there exists a so-called “social credit system” but also in the way many social media companies patrol their platforms for desirable expressions of socio-political thought.

Yuri Alexandrovich Bezmenov, a former KGB-agent who worked under a propaganda wing of the Soviet government, claims architectural design was part of an active process of societal subversion in his *Love Letter to America* (1984) published under pseudonym Thomas Schuman. The well-known architectural design of communism, “brutalism”, was supposed to ‘depersonalize’ the working class and strip away their sense of individuality and identity. The buildings the proletariat were forced to live in were stripped of any Romantic elements or references to ancestral history, while the cold and industrial character was a constant reminder of what really mattered: not beauty or history, but labour.

Similar effects, however, are not to be found under explicitly dictatorial regimes alone. The godfather of what became the architectural standard of so-called post-war western democracies, Le Corbusier (real name: Charles-Édouard Jeanneret), published essays in the French modernism and avant-garde magazine *L'Esprit Nouveau* (The New Spirit) that were practically manifests of social engineering. He was convinced that his take on architecture could decode and rewrite the mentality of the people, from the principled individual of the Romantic ideal to a pragmatic calculator ready for a ‘new age’, focused on consumption and sheer functionality.<sup>2</sup>

Thus far some prominent historical examples, showing us that it shouldn’t surprise us in the slightest that architectural design is used as a form of societal control.

The connection between urban planning, economic prosperity and mental health has furthermore become more prominent in the scientific community, specifically leading to a growing amount of collaborations with the discipline of neurology - of which *Beauty, Neuroscience, and Architecture: Timeless Patterns and Their Impact on Our Well-Being* (2018) by Donald A. Ruggles is an important

---

<sup>2</sup> It is my belief that one of the understated influences on the theoretical forming of the Austrian School were the philosophical and even aesthetical concepts of 18<sup>th</sup> and 19<sup>th</sup> century Romanticism.

example. Sadly enough, most conclusions are not hopeful at all, as many correlations between modern architecture and schizophrenia, chronic anxiety and depression are observed. These scientific findings only affirm what the more perennial thinkers among us already knew: Truth, Beauty, and Goodness are synonymous. In other words: ugly streets make ugly people.<sup>3</sup>

These are not inconsequential observations. It means we should not only condemn modern urban planning and architecture for its 'aesthetic terrorism' (as the late philosopher Roger Scruton called it), but also for its potential destructive impact on the happiness of the people that are being exposed to it, the inefficiency it brings, and the spontaneous order it destroys.

This observation will be the further focus of this essay. Following a historical contextualization of the influential urban planning debate between Jane Jacobs and Robert Moses, I will argue in favour of and expand on libertarian economist Sanford Ikeda's view that interventionist planification manipulates "local knowledge", causing diminishing levels of trust, social norms, and identification with one's own city, which is detrimental to a healthy economic reality.

In *Green Philosophy: How to Think Seriously About the Planet* (2012), Roger Scruton argued that "oikophobia", the disconnect between people and the places they inhabit, is the main reason for most of the environmental problems that could plague us. In this essay, I argue that a similar dynamic is happening due to governmental urban planning. The stifling of human action it entails erodes the responsibility and the entrepreneurial creativity one would otherwise feel for and show towards a place one can call home, thereby not only disturbing the economic reality of a place but also the mental tranquility of a people.

The question whether or not this process of entropy is actually desired by the planners, falls outside the scope of this essay. I ask

---

<sup>3</sup> To a strictly scientific mind it may be trivial that the design of the European Parliament in Strasbourg is based on the Tower of Babel, for instance. There is, however, a deeper pattern of symbolism to be found there - one that may not be rationally codifiable, but that is meaningful nonetheless. Symbolism is not a passive construct that only exists in the eye of the beholder, but an active force that befalls us. The incapacity of modern man to understand it or to give weight to its meaning, is at his own peril.

the reader, however, to ponder the forms of deracination created by interventions that are explained below, and to then ask themselves the question whether or not they consider 'mere ignorance' to be a sufficient "explanans".

To end this introduction, two things must be stated of this essay in general. First off, it is not meant as an empirical document gathering nothing but 'facts and figures'. I share the skepticism Murray N. Rothbard has towards what he calls "fact-grabbers". These are the people who believe they can present a meaningful case by expressing the complexity of life in nothing but percentages and statistics. This writing is a more philosophical and sociological approach to the implications of so-called "rationalistic urban design".

Lastly, this essay is not written from a so-called neutral perspective, if such a thing was ever truly possible in our discipline, but rather sees the topic through the lens of the Austrian School, meaning that free interaction and spontaneous social order are seen as necessary conditions for prosperity, morality, and happiness.

The reader may find it more fertile to excuse me for not arguing this held theoretical conviction to the fullest extent every single time. This would only draw us away from the subject and into the fundamental and abstract discussion of methodology, which is not a possibility considering the scope of this essay.

## II JACOBS VS. MOSES

"If self-government in the place is to work, underlying any float of population must be a continuity of people who have forged neighborhood networks. These networks are a city's irreplaceable social capital. Whenever the capital is lost, from whatever cause, the income from it disappears, never to return until and unless new capital is slowly and chancily accumulated."<sup>4</sup>

Jane Jacobs

---

<sup>4</sup> Jacobs (1961), p. 138.

The general philosophy on cities and societies of author and activist Jane Jacobs forms the basis of above-mentioned author Sanford Ikeda's criticism of urban intervention, and therefore it is relevant to start off by contextualizing her historical debate with Robert Moses. In a lot of ways, this debate is almost of archetypical proportions. Robert Moses enjoyed most of the advantages that accompany being a public official, having no problem in imposing his 'coordination' on society and in trying to bend reality to his perfected schemes and models.

Jane Jacobs, on the other hand, was a citizen who had to trust in the legitimacy of her cause and in the grassroots movement she started in order to reclaim authenticity and freedom for and within her community. It is the age-old David vs. Goliath, Tesla vs. Edison, and - for the libertarian reader - in a lot of ways Hayek vs. Keynes as well.

After the Great Depression of the 30s, it was believed by local governmental authorities that active urban redesigning efforts would be needed in order to prepare New York and its many cities for the economic innovation to come.

In other words: the possibilities of this hopeful future would only become reality when the necessary conditions for it were met. This in itself makes for a rather bizarre belief. How was it that these people were not only certain of a hypothetical future, but also had the knowledge on how to make it happen?

As I have stated in the introduction, this essay does not intend to go over each and every Austrian refutation of the beliefs essential to the current mainstream economic paradigm. Those who would like to familiarize themselves with those arguments can turn to the bibliography of Professor Jesús Huerta de Soto, more specifically *Socialismo, cálculo económico y función empresarial* (1992). Sadly, either not realizing or not wanting to accept that one can never have the correct predictions of the future or obtain the necessary amount of information in order to 'correctly prepare' for it, the State believed it was possible to appoint someone capable of knowing precisely what these conditions were in the case of New York, and they gave him the legal power needed to achieve those through several commissions and public initiatives.

This person was Robert Moses, who at a certain point held the whopping amount of twelve offices. Pulitzer Prize winner Robert

Caro, who wrote the definitive biography on Moses called *The Power Broker: Robert Moses and the Fall of New York* (1974), stated:

“Moses displayed a genius for using the wealth of his public authorities to unite behind his aims banks, labor unions, contractors, bond underwriters, insurance firms, the great retail stores, real estate manipulators - all the forces which enjoy immense behind-the-scenes political influence in New York.”<sup>5</sup>

When part of this ‘grand preparation project’ led Moses to believe that massive slum clearance was needed in Greenwich Village, his by law enforced intervention bumped into heavy protest. One of those voices, who would later protest his plan to destroy the Washington Square in order to build new highways, was Jane Jacobs.

Her gripes with all of this were much more than just some vague political or ecological indignation. Sadly, I feel that the ideas and convictions of Jacobs have often been misrepresented in the academic discourse by dumbing them down. Those who actually familiarize themselves with her work rather than use it in an opportune way in order to further their own ideological agenda, would come to realize that there is a solid philosophical foundation underlying her claims.

Part of this philosophical view of Jacobs was her utter disbelief in the “create-ability” and the “re-shape-ability” of communities. She argued against the belief that any centralized organ is capable of knowing what is needed here or there, and believed that such interventions would eventually lead to unforeseeable shocks to the economic vibrance of a community, due to interfering with a complex dynamic of acting and interacting individuals.

Many Austrians would happen to agree with these tenets, arguing that the amount of intricate and tacit knowledge living among citizens of a certain neighborhood can never be grasped to the extent that it could legitimize centralized intervention. In the scenario of an appointee arguing in favour of a certain change, the point of relevance is not about whether or not to be in favour of the

---

<sup>5</sup> Caro (1974), Introduction.

proposed change in itself (in this case: Moses arguing in favour of highways and Jacobs being either 'pro' or 'contra' highways), but rather about rejecting the idea that these things should be implemented through top-down planification instead of being the result of sovereign decisions by the people making up what we call "a city".

This suffices as a general overview of Jacobs' view on the essence of cities, explained in more detail in her *The Death and Life of Great American Cities* (1961). A closer examination of how she argues interventionism to be a danger to the spontaneous order and the complex dynamic that is "a city", brings us to Sanford Ikeda's text *Urban Interventionism and Local Knowledge* (2004).

### III

#### URBAN INTERVENTIONISM AND LOCAL KNOWLEDGE

"Before considering any sort of activist policy, therefore, it would be prudent to understand, in Jacobs's phrase, "what kind of problem a city is" - namely, a problem of spontaneous order."<sup>6</sup>

Sanford Ikeda

#### 1. Altering Local Knowledge

In his essay, Ikeda advances Jacobs' arguments in order to show how interventionism manipulates local knowledge and is therefore detrimental to economic vibrance. He starts off by summarizing Friedrich A. von Hayek's explanation on how intervention eventually leads to the impossibility of rational economic calculation, since it distorts relative pricing. In a sense, one could say that relative pricing is the closest we can get to meaningfully quantifying subjective valuations and expectations of individuals being confronted with relative scarcity. Money is therefore an

---

<sup>6</sup> Ikeda (2004), p. 261.

institution, as over time it has become part of the functioning of society due to its efficient way of communicating certain information (that is: the desires and valuations held by individuals) - as explained by Carl Menger in several of his works.

Therefore, relative pricing is a form of local knowledge. However, as Ikeda points out: this "local knowledge" can be much more than the often thought "goods and services". As important, for example, is local knowledge concerning character traits of the individuals you are interacting with - which could mean their sense of responsibility, loyalty, conscientiousness, etc. All of these also get altered through intervention in general, and urban intervention specifically.<sup>7</sup>

As Hayek puts it in *The Road to Serfdom* (1944):

"The most important change which extensive government control produces is a psychological change, an alteration in the character of the people. This is necessarily a slow affair, a process which extends not over a few years but perhaps over one or two generations. The important point is that the political ideals of a people and its attitude toward authority are as much the effect as the cause of the political institutions under which it lives. This means, among other things, that even a strong tradition of political liberty is no safeguard if the danger is precisely that new institutions and policies will gradually undermine and destroy that spirit."<sup>8</sup>

The comment Hayek makes on the spirit of liberty reminds us of *The Servile State* (1912), in which author Hilaire Belloc already pointed out that the influence a providential state can have, both economically and psychologically, could eventually erase the memory of freedom in the mind of its subjects to such an extent

---

<sup>7</sup> Ikeda uses "social capital" as Robert D. Putnam had defined it in his work *Bowling Alone: The Collapse and Revival of American Community* (2000); as a connection among individuals made up of social networks and the norms of reciprocity and trustworthiness that arise from them. For many years, Putnam did not want to publish the findings written out in this book. He had concluded that the disconnect created between people due to governmental safety nets was detrimental to the economic fabric of the community, which was confronting to his own socio-political worldview.

<sup>8</sup> Hayek (1944), pp. XI-XII.

that, after a couple of generations, one would have lost the spirit to choose liberty over security:

“[The factors] which might act most strongly against the acceptance of the servile state by that class, have so fallen in value that they offer but little opposition to the third factor in the situation which is making so strongly for the servile state, and which consists in the necessity all men acutely feel for sufficiency and for security.”<sup>9</sup>

There are plenty of examples to give on how exactly an interventionist state can alter “the character of the people”, as Hayek would say. Let us detail one that Ikeda does not mention but belongs to the most pertinent examples nonetheless: the consequences of legal positivism. In order to understand this to its full extent, it is important to point out the connection between a low time preference and the process of civilization. In order for civilization to rise, a low time preference is necessary. A society that cannot value a hypothetical future and does not have long-term goals but only lives in “the-here-and-now”, cannot accumulate capital, maintain order or create infrastructure and culture.

A low time preference, on the other hand, not only leads to material benefits but also to the sublimation of impulses and the appreciation of the immaterial, and is therefore an important source not only for scientific and technologic innovation(s), but also for the creation of art and traditions - other institutions, in the Mengerian sense mentioned above, that allow for the crystallization of knowledge and the psychological stability of a people.

What, then, is the connection between time preference and legal positivism? Legal positivism severely alters the time preference of a people. More specifically, it makes for a higher time preference among individuals. Take for example legislation that intervenes in the free market and creates economic safety where there otherwise would not be any. This makes it so the future of people, which would otherwise have been a question mark that must be conquered through responsible action, becomes a secure

---

<sup>9</sup> Belloc (1912), p. 157.

certainty, which opens the door to short-term thinking and immediate consumption.

Furthermore, the impossibility of rational economic calculation due to interventions also makes saving or investing less attractive than consuming - as Professor Hans-Hermann Hoppe explains in *Democracy: The God That Failed* (2001):

“[...] If government property-rights violations take their course and grow extensive enough, the natural tendency of humanity to build an expanding stock of capital and durable consumer goods and to become increasingly more farsighted and provide for evermore distant goals may not only come to a standstill, but may be reversed by a tendency toward de-civilization: formerly provident providers will be turned into drunks or daydreamers, adults into children, civilized men into barbarians, and producers into criminals.”<sup>10</sup>

There are more than just economic consequences, I would argue. If what is legal or illegal (and therefore moral or immoral, since one of the terrifying consequences of the west forsaking natural or even Divine law is the implication that morality does not dictate law but rather the other way around) depends only on temporal choices and decrees of the State, tomorrow's law might very well be different than today's law, and so on “ad infinitum”.

This leads to what I call “opportunity-consumption”, by which I mean the inclination of modern man to follow his every desire and fling out of the anguish that he will not be able to achieve or reach them anymore tomorrow. This is due to the constant uncertainty that was created. And although uncertainty is part of life, as any Austrian would agree upon, this form is merely an artificial form that has its roots not in the reality of nature and mankind, but solely in the State overthrowing genuine morality and law - or, more philosophically, in the State perverting the relation between nature (morality) and mankind (law).<sup>11</sup>

---

<sup>10</sup> Hoppe (2001), pp. 14-15.

<sup>11</sup> The etymological roots of “to pervert” are to be found in the Latin “vertere”, which means “to turn” or “to put upside down”. It is not my intention to make this essay into a theological piece, but I would like to point out that being aware of this

Let me conclude my explanation of Hayek's point on how interventionism can alter the character of people in a general sense by finishing with a short example Ikeda himself mentions: the bureaucratization of those social interactions that are the basis of entrepreneurship and a high-trust society:

"[For] when formal, especially bureaucratic, relations displace the informal ones, two things happen. First, additional red tape raises the cost of providing the service while expanding its scope, making operations more rule-driven, impersonal, cumbersome, and less attuned to the needs of individual recipients. [...] keeping the street safe becomes the job of the police; and lending an acquaintance money to get through hard times becomes the responsibility of a governmental program. Again, one set of norms is replaced by another that is more inhospitable to voluntary trade and entrepreneurial initiative."<sup>12</sup>

Some even argue that these shifts Ikeda mentions are not just due to interventionism but the consequences of modern democracy in general. In *The Servile Mind: How Democracy Erodes the Moral Life* (2010), Kenneth Minogue argues that many elements which used to be part of our socio-moral sphere (such as social capital and credibility) have become politicised and partisan. As to why exactly this would be an inevitable consequence of democracy: this I have outlined in *Subversie en serviliteit: Analyse van de hedendaagse Macht en haar implicaties* (2017) - transl. *Subversion and servility: an Analysis of contemporary Power and its implications*.

---

might save your life one day. The difference between something which is merely "wrong" and something which is "evil", is to be found in this element of something being 'put upside down'. While something which is wrong merely consists of inconsistencies, something which is evil (or stems from evil intentions) starts with the truth and turns it upside down. There is some form of reciprocity. After all, it was the devil who first realized that the greatest, most convincing lie is the lie that contains half of the truth. I could give examples of how many moral and social realities of our modern world are not just 'different' to their traditional counterparts, but actual opposites. However, I would like to avoid statements that could be perceived as being too political. In the end, people have been instinctively trusting on this wisdom for many centuries, so I am sure the more attentive reader will have no problem with filling in the blanks for himself.

<sup>12</sup> Ikeda (2004), p. 252.

Although detailing those arguments falls outside the scope of this essay, the crux of the argument is the following: due to modern secularism rejecting any form of legitimacy outside of the empirical world (be it God, be it the abstract rules of logic), modern democracy must be its own legitimacy - it is good because it is preferable, and it is preferable because it is good. Therefore, the fabrication of consent (which every form of Power needs to a certain extent) under modern democracy happens through the propagation of its own moral superiority and the belief in the "Whig view of history" (i.e. endless progress). In this framework, anyone doubting any of the tenets of modern democracy (from progress and equality to simple social mores) is not just an outlier, but an actual political dissident. Why? Because the legitimacy and the preservation of modern democracy can only exist and be maintained through the acceptance of its tenets by its subjects, the general public.

In a way, this makes for a very fragile system, since in the end it is based upon one thing: acceptance - as already argued many centuries before me by Étienne de La Boétie in *Discours de la servitude volontaire* (1576) and by David Hume in *Essays, Moral, Political and Literary* (1758). In a different way, however, it makes for an extremely adaptive and anti-fragile paradigm. This because it has no theoretical, a priori framework that considers something to be a value or a vice - similar to how a scientific discipline needs a philosophical framework of knowledge and methodology (e.g. what does it mean to say an experiment is "trustworthy" or certain findings are "true"). Therefore, what is uttered to be a value becomes one, and what is suddenly rejected stops being one. And so, the paradigm of democracy is a constant self-serving and self-preserving narrative.

Let us leave this meta-political analysis here. With all this, I believe the framework on how intervention in general alters both local knowledge and social interactions has been sufficiently explained. Let us now consider how interventionism takes hold of cities more specifically, destroying the essence of their "life-world" and their economic vibrance.

## 2. Cities and Local Knowledge

As said before, Jacob's view on cities is essentially Austrian, it being a by-product of acting individuals in constant exchange. Through these exchanges and interactions, traditions and institutions develop as crystallizations of experienced truth and "know-how" - coinciding with Menger's philosophy of institutions as mentioned above.

Necessary for all of this, however, is a high-trust community. When a person feels that the people they encounter are not mere strangers, but "fellowmen" that are generally trust-worthy and that are part of similar hardships and striving towards some sense of shared higher values (without denying one's own individuality), a city can bloom. The sidewalks we use, the houses we pass and the parks we visit should not be mere pieces of land in the vicinity of the property where we sleep, consume and procreate.

Only when a person feels that these are in a vague and yet meaningful sense part of his or her story, will they feel that it demands a certain responsibility. Only when a person is free to leave his or her mark on his surroundings, will he or she show creative incentive towards shaping it. And only through a shared sense of sensibility will people feel the trust needed for economic collaboration. All these elements are therefore not just important, but essentially the source of a successful self-sustainable and self-regulating city.

As I have hinted at before, similar arguments have been made by Roger Scruton concerning the ecological question in his book on conservative green philosophy. Scruton argues that of those ecological problems we face that are not part of the mass ideologically induced hysteria, the solution lies in "oikophilia". This entails a love for one's own home and identifying with it to an extent that each individual within a community will live responsibly and with a "conservationist" attitude towards their own locality.

As clear from what I have mentioned, I would argue that a similar argument must be made concerning urban intervention and cities: in order for individuals to actually feel this sense of "creative protectionism", a mental state is needed in which one considers a piece of land as more than just 'a piece of property', but as (part of their) "home". This, however, seems to be nearly impossible under the disconnect

and “alienation” - to borrow marxist terminology - that many entrepreneurial-minded individuals experience these days.

Why? The social activities, the cultural expressions and the economic possibilities that surround them, that shape ‘their’ city, are not consensually created or desired realities. Many of those are implemented through arbitrary decisions of government. Is the city individuals live in really ‘their’ city? Or are the cornerstones of what makes a city - the institutions (e.g. courts, schools, banks), the places of worship, the places of recreation (e.g. parks, sport centers, restaurants and cafes) - often planted by the government, and if not then at least under strict guidelines by the government.

In other words, and we should not minimize the deep demoralizing impact this has on a lot of people (be it on their tendency to act in an entrepreneurial way, be it on how they interact with others, or be it on their sense of responsibility): all of this has become something that was decided for them. The places we live in are not of our own making, but ‘things’ that are thrown upon us - things that are ‘just there’.

When citizens are constantly introduced to legislation that deeply effects the ways they are able to collaborate with their neighbors, and when their surroundings constantly change due to proposals made by officials (who often do not even live in the places affected by these proposals), any feeling of ‘ownership’ or ‘tutelage’ disappears, taking along with it the responsibility and creativity people would show towards a city they can see as their own, replacing it with a feeling of ‘spiritual homelessness’.

The way in which top-down urban planning erodes this sense of ownership, thereby taking away the drive of individuals to act in an entrepreneurial way, is one thing. Some may find this line of reasoning too abstract. There are, however, many examples in which specific top-down planning choices upset the economic understanding between citizens.

Let us consider, for example, the scenario in which a certain lot with an attractive location gets assigned to a certain person or group of people in order to offer a certain service (be it a public library, a public sports center or a city park). The base observation would be that nothing about these services makes it so they cannot be offered by private citizens instead, but let us delve a little deeper.

Since these allocations are hardly ever based on population demand but rather on a detached moral paternalism (“this is important”, “a city needs this”), it skews the framework of what citizens in the neighborhood value and demand, which convolutes the informational input entrepreneurs are depending on.

Some would say that this could just as easily be the case without intervention: “big money” buys up the lot and doesn’t care about whether a certain service is desired or not. There are plenty of differences, however. If there really is no demand for the service provided, sustainability is impossible. This is no problem for a public allocation, since it has endless resources (i.e. taxes) and no real accountability (debt is a problem for future generations).

Furthermore: social capital is important in any entrepreneurial endeavor. A constant adaptive process takes place between the entrepreneur and local residents, so that the service provided is offered in a way residents feel is acceptable. Meanwhile, there is no sense of deserved legitimacy when it comes to top-down settling. This process of communication gets bypassed since it only needs to fall back on its governmental allocation privilege.

Some may still find this too theoretical. Let us therefore consider some concrete examples by Jacobs that strengthen my arguments. Now that we have already focussed on more general ways in which the State affects free enterprise, trustworthiness and moral independency, we should now take a look at some of her illustrations on the dialectic between city planning or composition and the economic and psychological health of that city.

### 3. Planned Living

According to Jacobs, the following elements are among the most important signs of a city that is allowed to grow organically and in which its communities are left to live freely and of their own accord, which will strengthen the city and its economic prosperity:

- a. Public spaces having mixed primary uses, whereby most to all parts of the city are lively and functional throughout the day. This creates more economic opportunities, a sense

of belonging and vitalism, and repels crime and shady business.

- b. Lots of shorter streets with many turning corners, leading to the phenomena of literally and figuratively ‘bumping into someone’, increasing social interactions and the possibility of serendipitous economic opportunities and collaborations. This is familiar to most organically grown cities and historical city centres, while most artificially constructed cities and residential areas focus on straight line-work in their quest for functionality - ironically reducing the social and the economic potentialities.

Let us examine these elements a little more. The spaces with mixed primary uses are contrary to the “philosophy of partition” of urban planification, which tries to artificially order a city in terms of functionality, often leading to partial ghost towns, vandalism, and general unhappiness. This was the case with Almere, one of the youngest cities in the Netherlands and a project of extreme ‘rational planning’. Due to following this philosophy of partition, most of Almere’s housing got separated from most forms of nature and cultural life, which led to declining levels of general happiness. And due to all stores and HORECA (acronym for *Hotel, Restaurant and Café*) being centred in one place, ‘ghost streets’ formed (since nobody had any reason at all for being in those streets past closing hours), leading to a lack of social control or ‘eyes on the street’, which escalated to the point of vandalism.<sup>13</sup>

The many unpredictable streets and corners, then, should not be mistaken for ‘chaos’. Quite the opposite: they are part of the organic and spontaneous way of ‘organisation’. It is, in a way, a visual representation of how generations before us dealt with

---

<sup>13</sup> Detailed information on the case of Almere, including the recent project of “Almere Oosterwold” (a greenfield surface of 43km<sup>2</sup> without a zoning map which will gradually take shape through the initiatives of property buyers and their individual bottom-up approaches), can be found in *The City as Action: The Dialectic Between Rules and Spontaneity* (2017), Stefano Cozzolino’s doctoral thesis for the Polytechnic University of Milan.

uncertainty and shaped their economic activities. The continuous existence of these patterns also strengthens the feeling of connectedness the locals have to the place, which makes for “public characters”.

These public characters are the best ‘policemen’ a city could ask for. Their social networks are often more extensive than those of state police. They always seem to know ‘what’s going on’ and get significantly less antagonistic reactions due to the lack of ‘official dominance’. This creates a sense of shared trust among citizens, which is an important condition for free, economic collaboration.

Furthermore, these public characters are often, if not entrepreneurs themselves, the catalyst for economic opportunities and prosperity in the city: due to their local know-how and street vine communications they are often the ones who, for example, propose tourists where to have dinner, the ones who facilitate economic collaborations through knowing who to contact when someone is in need of certain resources for a project, the ones who create social collaborations (between youth clubs, sport clubs, churches and schools), et cetera.

All these things may seem trivial, but behind its banality hides the backbone of free entrepreneurship and economic efficiency. As Ikeda summarizes:

“These communication and trust networks, then, support the more formal business practices in a successful district, indirectly but crucially, and promote the more extensive use of markets and the price system. [...] Economists are fond of arguing that the price system permits us to *economize* on the amount of knowledge that is necessary to command in order to act successfully among the myriad of strangers that we depend on daily. Yet, recognizing that those actions are embedded in a particular local context within which we actually interact with some of those strangers tends to highlight the opposite - that the amount of detailed knowledge that each of us needs to know in order to successfully utilize the price system is in fact enormous.”<sup>14</sup>

---

<sup>14</sup> Ikeda (2004), pp. 255-256.

Lastly, let us contrast the insights considered above with an example (one among many) of Robert Moses' implementations that were part of his engineering project previously mentioned: the abolition of wide sidewalks.

Wide sidewalks, some of the 'most vital organs' of a city according to Jacobs, are essential to a prosperous society, while top-down planners have - contrary to what many might assume - throughout history chosen the path of reducing or decreasing them, thereby reducing the social gatherings of people to certain controlled environments such as public buildings, government proclaimed 'car-free streets', or common spaces. At this point, the more attentive reader could look back at my arguments concerning the politization of our social life under modern democracy and see how the reduction of our social activities to public places is more than just 'a given' without any relevance.

The disappearance of sidewalks, furthermore, is accompanied by the disappearance of exchange of information, the disappearance of a connection with one's own town and therefore the disappearance of eyes on the street and public characters, and maybe even the disappearance of the first experiences of entrepreneurship a young child has while selling homemade cake or his old toys by the side of the road.

Meanwhile, planners like Moses claim to know what is beneficial and even what is desired by individuals. How? By having 'researched' those individuals as if they were mere data-points whose valuations and appreciations are capable of being codified in an annual governmental report. One cannot help but think about this snide yet beautifully worded passage by Belloc:

"Tables, statistics, an exact framework for life - these afford [him] the food that satisfies his moral appetite. The occupation most congenial to him is the 'running of men' as a machine is run. To such a man the collectivist ideal is particularly appealing. It is orderly in the extreme. All that human and organic complexity which is the colour of any vital society offends him by its infinite differentiation. The prospect of a vast bureaucracy wherein the whole of life shall be scheduled and appointed to certain simple schemes deriving from the coordinate work of public clerks and

marshalled by powerful heads of departments gives his small stomach a final satisfaction.”<sup>15</sup>

#### IV CONCLUSIONS AND FINAL THOUGHTS

“The more stable and rooted are a society’s habits and beliefs, the less freedom will Power have in action. [...] We have already seen [Power] attacking, in the course of its advance, those very social authorities which aid it, taking position under cover of their demolition, and replacing the natural aristocracies by its own statocracy. In the same way, folkways and beliefs must be brought low, so that Power may substitute for their influence its own authority and build its church on their ruins.”<sup>16</sup>

Bertrand de Jouvenel

I realize that some readers among the more practical minded economists may find some of these observations trivial, but I would like to point out that any libertarian should realize that the subversion of social interactions and communal rites of passage through above mentioned implementations by people like Moses are always, in one way or another, destructive to the mindset that leads to perseverance and responsibility, and are therefore at the core of what the Austrian School should be all about.

Any hope of bringing Austrian thought to the broader public depends just as much on people’s habits and their passion for liberty as it does on theoretical arguments concerning economic freedom. These habits are not immutable and often get skewed by the subtle yet impactful consequences of urban planning, which is why the work of people like Jacobs and Ikeda is of - sadly underappreciated - value, and which is why I decided to build upon it.

The impossibility of rational economic calculation is not just a dilemma in terms of goods and services. The infinite local, social

---

<sup>15</sup> Belloc (1912), p. 145.

<sup>16</sup> De Jouvenel (1945), p. 215.

knowledge hidden in the actions, interactions, and institutions of individuals in a city will never be 'graspable' to the top-down constructivist; nor should we want it to be, considering the detrimental outcomes. The many interventions that are subsequently 'legitimized' seem to do nothing but destroy that knowledge by diminishing trust levels, subverting social norms, and altering the mindset of a people.

These mechanisms lead to an economically failing and psychologically dependant group of people where there once used to be an intricate and self-sustaining institution that we call "a city". It is the understanding of these mechanisms that is the basis for a de-volution, not a revolution, back to a healthy and prosperous spontaneous city-organism.

Therefore, I would dare to say that this quite abstract, philosophical take on the subject is actually a more pragmatic and realistic approach to the problem than, for example, a very specific critique of zoning laws and the call for its abolishment. These talking points might be a good intellectual exercise in Austrian argumentation, but considering the scope of the State and its success in rooting itself into our daily lives and minds, it will most likely stay nothing more than an intellectual exercise. Would this abolishment be a moral improvement from the Austrian point of view? Yes, but how big are the chances of making it a reality?

That's another question. These arguments are in need of people willing to accept them, and this willingness depends more on their general mindset and their daily habits than on showing them graphs and statistics on urban policies or on giving them clear-cut, technical arguments concerning the ethics of urban planning. Trying to argue the general populace into an alternative has no use when the general populace does not yet know why they would need an alternative to begin with. Many feel an unidentifiable malaise due to the modern state of affairs. But arguing in favour of alternatives while most have not yet perceived this feeling as a problem with a source, is putting the cart before the horse.

Lastly: as I have stated at the beginning, it is neither the scope nor the place of this essay to answer the question whether the ailments mentioned throughout this essay are due to incompetence or malintent. However, I do feel that the citation given above, which is

to be found in Bertrand de Jouvenel his magnum opus *On Power: The Natural History of Its Growth* (1947), may serve as a stepping stone for the reader in trying to find an answer to that question...

## V

## BIBLIOGRAPHICAL REFERENCES

- Azpitarte, J. (2018): *Urbanismo y Libertad: Como la legislación urbanística afecta a la economía y a la empresarialidad*. Madrid: Unión Editorial.
- Belloc, H. (1912): *The Servile State*. Indianapolis: Liberty Fund Inc. [1977].
- Bentham, J. (1791): *Panopticon; or, the Inspection-House*. Moscow: Dodo Press [2008].
- Brunstetter, D. (2018): *Just War Thinkers: From Cicero to the 21st Century*. New York: Routledge.
- Caro, R. (1974): *The Power Broker: Robert Moses and the Fall of New York*. New York: Knopf.
- Clabau, F. (2017): *Subversie en serviliteit: Analyse van de hedendaagse Macht en haar implicaties*. Master Thesis. Ghent University.
- Cozzolino, S. (2017): *The City as Action: The Dialectic Between Rules and Spontaneity*. Doctoral Thesis. Polytechnic University Milan.
- de Jouvenel, B. (1945): *On Power: The Natural History of Its Growth*. Indianapolis: Liberty Fund Inc. [1993].
- de la Boétie, E. (1576): *The Politics of Obedience: The Discourse of Voluntary Servitude*. Auburn: Ludwig von Mises Institute [2015].
- Foucault, M. (1975): *Surveiller et punir*. Paris: Gallimard [2007].
- Hayek, F. (1944): *The Road to Serfdom*. Chicago: University Press [1972].
- Hoppe, H. (2001): *Democracy: The God that Failed*. New Brunswick: Transaction Publishers [2007].
- Huerta de Soto, J. (1992): *Socialismo, cálculo económico y función empresarial*. Madrid: Unión Editorial [6ª edición, 2020].
- Hume, D. (1758): *Essays, Moral, Political and Literary*. New York: Cosimo Inc. [2006].
- Ikeda, S. (2004): "Urban Interventionism and Local Knowledge", *The Review of Austrian Economics*, 17:2/3, pp. 247-264.

- Jacobs, J. (1961): *The Death and Life of Great American Cities*. New York: Random House Inc. [1992].
- (1969): *The Economy of Cities*. New York: Vintage Books.
- J.E. Davies, P. (2017): *Architecture and Politics in Republican Rome*. Cambridge: University Press.
- Kunstler, J. (1993): *The Geography of Nowhere: The Rise and Decline of America's Man-Made Landscape*. New York: Simon & Schuster.
- Le Corbusier (1923): *Vers une architecture*. Paris: Gallimard [2008].
- Menger, C. (1892): *On the Origins of Money*. Auburn: Ludwig von Mises Institute [2009].
- (1871): *Principles of Economics*. Auburn: Ludwig von Mises Institute [2007].
- Minogue, K. (2010): *The Servile Mind: How Democracy Erodes the Moral Life*. New York: Encounter Books [2015].
- Ortega y Gasset, J. (1929): *The Revolt of the Masses*. New York: W.W. Norton & Company [1994].
- Putnam, R. (2000): *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon & Schuster [2001].
- Rodríguez Carreiro, O. (2017): *Las políticas de la industrialización*. Doctoral Thesis. Universidad de Santiago de Compostela.
- Rothbard, M. (1995): *Classical Economics: An Austrian Perspective on the History of Economic Thought, Volume II*. Auburn: Ludwig von Mises Institute [2006].
- Ruggles, D. (2018): *Beauty, Neuroscience, and Architecture: Timeless Patterns and Their Impact on Our Well-Being*. Connecticut: Fibonacci LLC.
- Schuman, T. (1984): *Love Letter to America*. Los Angeles: Almanac Panorama.
- Scott, J. (1998): *Seeing Like a State*. London: Yale University Press.
- Scruton, R. (2012): *Green Philosophy: How to Think Seriously About the Planet*. London: Atlantic.