

CONFORMORALITY AND THE ECONOMIC URBANISM OF JANE JACOBS

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Abstract

The renowned urbanist Jane Jacobs made radical and important criticisms of and contributions to both economics and urban planning. Yet, while her contributions to planning have been embraced and admired, her contributions to economics have been mostly overlooked by the economics profession as well as by most of her ardent supporters. Contrasting the strength of conformorality in each of these disciplines may provide part of the explanation, and comparing the experience of Jacobsian economics with market-process economics can shed additional light.

Keywords

Jane Jacobs, conformorality, market-process economics, Jacobsian economics

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1. Introduction

What urbanist hasn't heard of Jane Jacobs? And when we hear that name, what comes to mind? Probably, for most of us, are her battles in New York, in the press and on the streets, to keep Washington Square Park in Greenwich Village car free, to prevent the widening of streets in the West Village from undermining the liveliness of its sidewalks, or to argue that cutting the Lower Manhattan Expressway through Chinatown and the Cast-Iron District (later SoHo) would destroy those communities. Books, documentaries, and plays about Jacobs focus almost exclusively on these and similar struggles, especially those against her principal nemesis Robert Moses, the "Power Broker" of Robert Caro's Pulitzer Prize winning biography (Caro 1975). Jacobs was an effective advocate and activist for the life of public spaces. But she also published books, most famously in 1961 *The Death and Life of Great American Cities*, in which she did a great deal more than preach what she practiced.

From that widely cited masterpiece many readers have drawn some catchy and important phrases such as "eyes on the street" and "the street ballet" that capture a part of what it is that makes a city work and indeed thrive. Some may delve further and talk about "diversity" or "mixed uses" or "landmarks" without however always fully understanding, or often mis-understanding, what Jacobs means by these terms; or they may reference Jacobs's discussion of "organized complexity," again without always getting the full significance and implications of that concept. Very few go on to seriously study her next major book *The Economy of Cities* (1969) with its careful discussion of how cities and the creativity within them emerge without central direction, or how "import replacement" and "import shifting" operate as reciprocating systems to form part of a complex process of economic development through innovative changes in the division of labour. And then there are her later works, also widely overlooked, that also focus primarily on economics, *Cities and the Wealth of Nations* (1985) and *The Nature of Economies* (2000), and contain important concepts and fine-grained analyses than typically found in standard courses in economics.

And far fewer still appreciate how these insights fit into a coherent economic framework or how that framework in turn rests on a theory of society that traces the emergence of largely self-regulating social systems from the actions of myriad independent strangers, who follow their own plans within a framework of evolving rules, formal and informal, explicit and tacit. With some notable exceptions, whom I will later discuss, this lack of appreciation for Jacobs's economics is also true for the vast majority of the economics profession.

Why is that?

2. A note on conformorality

Before proceeding to address that question, I should confess that the term "conformorality," the theme of this special issue, is new to me. But the underlying concept seems to be familiar one. As the editors of this volume have explained,

this concept expresses the tendency of groups and communities to conform to certain normative judgments due to peer pressure. It speaks to the tendency of individuals to align with particular values to secure acceptance within a specific group.

One of the few articles I came across that specifically deals with conformorality is Lisciandra et al. (2013) who, if I'm understanding them correctly, distinguish between "moral norms" (e.g. against stealing) and "social conventions" (e.g. against tipping in Japan) as its two primary aspects. And while these authors wisely caution against making too-hard a distinction between them, it seems convenient for my purposes to think of the "morality" to which planners and economists might feel pressured to "conform" as closer to a social convention than a moral imperative, with the understanding that violating certain social conventions can provoke reactions ranging from an eye roll to mockery or worse. Moreover, "peer pressure" implies that those conventions tend to be followed and enforced uncritically.¹

¹ At the same time an unquestioning acceptance of certain norms is probably unavoidable. Moreover, as Hayek (1945: 17) argues, for a free society to flourish may require the greater part of its citizens to accept such principles as the sanctity of private property without spending much time thinking about them.

3. Jacobsian economics

Now that's out of the way, I should briefly describe the gist of what I see as Jacobs's approach to economics, for it is probably unfamiliar to most readers. This approach, as I mentioned, in turn stems from an underlying social theory that is, however, largely behind the scenes in her writings (Ikeda 2024). The most explicit statement of her social theory appears in the final chapter of *The Death and Life of Great American Cities* ("The kind of problem a city is") and the first chapter of *The Economy of Cities* ("Cities first – rural development later"). In the former, Jacobs reveals how the previous 21 chapters of *Death and Life* rest on an understanding of a "living city" (Gratz 2008) – a city of innovation – as a phenomenon of "organized complexity," i.e. a social order of a "sizable number of factors which are interrelated into an organic whole" (Jacobs 1961: 432). In the latter book, Jacobs explains how complex, dynamic cities likely evolved as an unintended consequence of self-interested traders, from diverse backgrounds, who were willing to tolerate their differences in the pursuit of gains from trade and other peaceful interactions. This reflects the way in which economics plays a central role in Jacobs's thought. Indeed, she defines a city as 'A settlement that consistently generates its economic growth from its own local economy' (Jacobs 1969: 262). That is, a city is characterized by economic development from innovations generated by the individual actions and decisions that take place within that city.² This kind of city and the innovations taking place in it are emergent, unplanned orders.

Jacobs's concern is obviously not with the conditions necessary for static equilibrium (i.e. a state of affairs in which all opportunities for net gain have been exploited), or with economic efficiency (i.e. producing or consuming something at least possible cost). Her primary aim is to show that a living city has the physical environment – i.e. short blocks, mixed primary uses, high concentrations of people, and older, cheaper space (Jacobs 1961: 152-221) – and social infrastructure – i.e. social networks and social capital – that make it a locus of innovation, an incubator of ideas and change, and a congenial venue for experiment and trial-and-error. Some present-day economists (see below) would describe this process as an "entrepreneurial competitive" one, driven by the search for profitable opportunities of one sort or another when knowledge is imperfect (Kirzner 1973). When an economic system is essentially an experimental process, where opportunities and outcomes are uncertain, equilibrium and efficiency in the sense of standard economics, including urban economics, play a secondary role at best. Like the hunter-gatherers Jacobs describes in her theory of urban genesis in *The Economy of Cities*, urban dwellers are still driven by self-interest to realize their dreams, and thereby incrementally change their physical and social environments in ways neither they nor anyone else can foresee.

The mechanics of economic development that Jacobs describes are correspondingly heterodox compared to conventional economics. For instance, while she adopts Adam Smith's concept of the "division of labour" (DOL), in which different individuals or firms specialize in only a part of an overall production process, she is mainly interested in the ways in which the DOL changes over time, in accordance with whether the local economy is expanding or contracting, by creating, modifying, or dissolving branches of the DOL network. That expansion or contraction, in turn, involves a process in which locals sell exports to other cities in order to buy imports from producers in other cities, but it is more complex than this. Domestically, importing goods unavailable locally stimulates local entrepreneurs to try to replace some of those imports with cheaper ones or with goods more suitable to local demand, thus increasing the complexity of the local DOL in so doing. This allows locals to shift their demand to new kinds of imports. In turn, some of the now locally produced, import-replacing goods might then be sold abroad, adding to overall exports and local revenue, which could then be spent domestically, or upon ever more imports. This is why Jacobs defines a city the way she does. That is, when Jacobs says a city grows based on its own local economy, she is not saying that it must cut itself off from regional or global trade to prosper. Quite the opposite! People export in order to import, just as we each sell services or goods in order to buy services and goods from others. Exportation on the one hand and import-replacement and import-shifting on the other are reciprocating processes. Again, you do not learn this in mainstream economics (or urban economics) courses on economic growth, which tend to use aggregate production functions (see below) rather than the DOL or the complex processes Jacobs employs.

2 Jacobs is sometimes misunderstood to be arguing against global, inter-city trade when in fact the very opposite is true. See Ikeda (2024) chapter 6.

4. Jacobsian planning

For Jacobs, of course, neither economic nor cultural development in a city takes place without municipal planning of some kind. But the thrust of *Death and Life* is the need for urban planning and design based on an understanding of how we actually use public space, and to explain why central planning of the sort practiced by Moses (and today in China's "Ghost Cities" and the Saudi Arabia's "NEOM the Line") has its limits – think "border vacuums," "visual homogeneity," and "cataclysmic money" – is likely to fail (Jacobs 1961). In addition, and crucially, planners should appreciate that successful cities are essentially economic entities, and that they should therefore, at a minimum, be aware of just how their policies impact urban markets, land and labour markets in particular. Regrettably, few do. (I will later mention a planner who is an outstanding exception to this.)

The interesting thing to me is that Jacobs's radical arguments and ideas about appropriate planning appear to have had a very dramatic impact on the profession not very long after *Death and Life* was published, and her name is invoked frequently today in public discussions of urban policy. While much of this may be lip service – writers typically use catchwords such as "diversity," "mixed use," "walkability," "density," and "landmark" out of their Jacobsian contexts – much of it also seems to have a real and lasting influence on planning practice (Campanella 2011). A lot of it, in turn, has focused on the more sociological aspects of *Death and Life*. For example, Jacobs clearly articulated the dangers highways and huge civic centres pose to public safety and street life because of the obstacles they create for crucial informal contacts and their tendency to erode the social networks that promote and sustain such contacts. In this way, Jacobs's ideas have profoundly changed attitudes in urban planning and design and, to some extent, even architecture.

Not all of this, of course, was the result of that book or the activism of Jacobs alone. She was at the vanguard of a much larger movement. There was also the growing awareness in the 1960s of the pathology of poverty and crime spawned by massive government-sponsored housing projects such as Pruitt-Igoe in St. Louis, Cabrini-Green in Chicago, and elsewhere in the United States at that time. There were also strong undercurrents for social change in that decade (e.g. the Viet Nam War, the Watts riots, and Woodstock), much of it a reaction against the machine-inspired, modernist milieu that dominated the politico-economic policy which began early in the 20th century. The time may have simply been ripe for a dramatic shift in thinking and policy that urban planners in cities across America were willing to tolerate or even embrace. A post-modernist planning approach more wary of large-scale projects emerged in the 1990s, exemplified by Léon Krier and design movements such as the New Urbanism (which, however, has not entirely escaped a modernist outlook (Grant 2011). Despite this, there is no gainsaying Jacobs's words and ideas on planning and urbanism that are today more frequently cited in this context than any other urbanist, and elicit almost universal respect if not reverence.

The reception of her economics, however, is quite another story.

5. Economics in urban planning

As I have mentioned, most of her urbanist followers are, and have been, largely unaware of or do not fully appreciate the nature and significance of Jacobs's important contributions in economics or the social theory behind them. This is evidently true of the planning profession in general (urban planning, design, architecture), which seems to eschew the economic way of thinking altogether, whether Jacobsian or mainstream.³ How many major professional conferences of urban planners and designers today include sessions that relate to cities as economic entities? I would wager not many. Engineering and architecture appear to be recognized as sister disciplines to urban planning, but not economics. This is very odd when you consider 1) the apparent influence that Jacobs has had on planning, 2) the centrality of economic analysis in the entire body of her work,

3 I have only attended one professional conference for urban planners so far in my career. In my presentation at that conference I noted the near absence in the program of papers with economic themes. The connections among planning, engineering, and architecture were highly evident, but my own on the role of Jacobs's insights into economic development appeared to be the exception. Now, this may very well be the result of small-sample bias, but it is an impression confirmed by Bertaud (2018). I mention it here because it supports, however informally, my contention about the neglect of Jacobsian economics in the profession in which Jacobs has had such an impact. It may also reveal a strain of conformality against economic analysis there, as well.

and 3) how closely bound her economics is with her urbanism. Again, the titles of most of her books written after *Death and Life* tell it all: *The Economy of Cities*, *Cities and the Wealth of Nations*, *The Nature of Economies*. Half of her book on ethics, *Systems of Survival* (1992), is devoted to the moral principles that guide commerce. And in the introduction to *Death and Life*, her best-known work, Jacobs states:

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

Jacobs is thus unequivocal that “the most important part” of *Death and Life* is about economics, not Part I with its frequently quoted “sidewalk ballet” or “eyes on the street,” as important as they are. For planners today, explicitly incorporating economic theory into their masterplans and policies does not appear to be standard practice. It is true that urban planners cannot avoid confronting certain land-use problems that involve economic values, such as the cost of infrastructure and, lately, environmental sustainability. But in doing so they usually fail to focus on the city as an economic entity or to address these problems from an economic point of view. For example, how much effort goes into tracing the impact on land values of particular restrictions on land use and floor-area ratios, or on employment opportunities as a consequence of the higher costs of housing? Building a sports arena may “create jobs” in construction or for vendors in and around it who cater to spectators; but what about the consequences for employment and housing over time that are lost from such a project or, from a more Jacobsian perspective, for the land-use diversity and “effective pools of economic use” (Jacobs 1960: 149) needed for residents and businesses to flourish?

An exception to this attitude is the highly respected urban planner Alain Bertaud. Bertaud chooses as one of the epigrams for his 2018 book *Order Without Design* a quote from the Nobel Laureate in economics Friedrich Hayek: ‘Order generated without design can far outstrip plans men consciously contrive,’ which reflects a Jacobsian appreciation for the emergent nature of successful cities. Bertaud takes an explicitly economic viewpoint and argues that urban planners should approach a city as labour and land markets. He asserts explicitly, for example, that ‘cities are labor markets’ and that ‘traffic is a real estate problem’ (Bertaud 2018: 19 & 143). From that starting point flows his extensive and sophisticated analysis of planning practices, including re-examining zoning for flexible land uses. Municipal planning departments should monitor economic data and be quick to adjust regulations to changes in the market prices of floor space and mobility, even if that sometimes means jettisoning long-cherished practices. He is fond of saying that mayors should be like “janitors.”

The role of mayors and their municipal staff, including urban planners and economists, is therefore rather like the role of a well-coordinated team of competent managers and janitors. The mayor, with his team of municipal managers, is not the city’s ruler, nor is he the city’s designer. A city is entirely created by its citizens’ initiatives. These citizens are required to act within a set of “good neighbor” rules, and to be supported in their endeavors by a network of physical and social infrastructure managed by a mayor and a city council (Bertaud 2018: 349).

Although not purely Jacobsian in his economics, having reached his conclusions from his own planning experience, what Bertaud advocates is for planners to make effective use in their plans and policies of the basic conceptual tools that competent economists, Jacobs included, should have in their analytical toolbox: e.g. demand-supply analysis, an understanding of the role of market prices, and a healthy respect for opportunity costs. Unlike the profession at large, Bertaud like Jacobs sees density and land-uses, not as instruments to be controlled by planners, but as outcomes of market forces that should be accommodated within the norms of “good neighbour” policies that address safety and spill-over effects.⁴

4 There are also differences between Jacobs and Bertaud’s approach. Broadly speaking, while Jacobs sees a successful city as an incubator of economic innovation, Bertaud treats it as dynamic labour and land markets. But these approaches are complementary in the sense that skilled labour and human capital are prime resources – part of what Jacobs refers to “effective pools of economic use” (Jacobs 1960: 149) – that innovators and entrepreneurs must have readily available to conduct commercial experiments. But more than that, while Bertaud seemingly emphasizes efficiency over innovation (i.e. minimizing costs of housing and mobility), what I believe he is really getting at is that planning has, in particular, to maximize flexibility in housing and mobility so that workers may choose for themselves the best places to live and work, by following market prices for land and labour. Employers might then have a highly diverse and accessible pool of local labour, with the understanding that workers are likely to change their jobs and dwellings multiple times over the course of their working lives, and businesses may fail or relocate, depending on demand and supply in their relevant markets. Owing to imperfect knowledge, opportunities must be discovered and, as a result, consequences are not fully predictable. This is a dynamic view of cities very much in the spirit of Jacobs.

While many in the planning profession today would claim to be influenced by Jacobs, it is unfortunate that only a handful to my knowledge have taken her economic lessons seriously enough to incorporate any of the them into their professional research. In addition to Bertaud, I should mention in this regard the work of Stefano Moroni of the Politecnico di Milano and Stefano Cozzolino of RWTH Aachen University. Both publish prolifically and insightfully on themes ranging from planning to social theory more broadly.

6. Jacobsian economics and the economics profession

When it comes to the economics profession itself, the crickets chirp just as loudly as they do for planners.

It is a curious fact that while Jacobs uses Adam Smith's concept of the division of labour as an essential conceptual tool for her analysis of economic development, the DOL plays almost no part in economic analysis today beyond the first chapters of introductory textbooks in economics, or in the history of economic thought. I maintain that this is because mainstream economics has replaced the complex structure of the DOL in explaining how goods are produced with the much simplified and mathematical "production function" – a modernist legacy – where inputs enter at one end, usually labour and capital, and are then instantaneously and perfectly predictably transformed into an output at the other end. In typical notation:

$$Q = f(L, K),$$

Where Q stands for a single, homogenous output like electricity, L and K represent homogeneous, perfectly substitutable units of labour and capital, and f stands for a mathematical recipe that transforms L and K into the output. In his famous illustration of the "pin factory" (Smith 1976[1776]: Bk1, ch1), Adam Smith explains how dividing a production process into different tasks and having a worker specialize in each task exponentially increases output per worker. Smith also points out that the DOL changes over time as specialists have an incentive to find innovative ways to save on their labour time. However, the modern production function collapses this complex process into a single stage in which there is no space for discoveries of this kind. Production now happens instantaneously with no time needing to pass between inputs and output.

I raise this point because I believe it is indicative of what separates Jacobsian economics from today's mainstream economics conceptually, and why economists tend to ignore Jacobs's economics, even if they are aware of it. In part that may be because in mainstream economics, even when the models of economic development are highly sophisticated in a mathematical sense, the goal is always to find the simplest way to mathematically model a complex social phenomenon, whether a business firm or an entire economy, and that tends to exclude a great deal of Jacobsian complexity. In addition, whereas time and experiment are essential characteristics of economic development for Jacobs, owing to our imperfect knowledge, in mainstream economics unpredictable changes in our social environment are ruled out (O'Driscoll & Rizzo 1985). That is because allowing the agents in their models to make genuine errors, owing to their ignorance of relevant information (e.g. where the costs are actually the lowest or the willingness to pay is actually the highest) would make it very hard or impossible to construct the kinds of deterministic models economists generally like. Don't get me wrong. Some economists and social scientists, e.g. at the Sante Fe Institute, are steeped in what is called "complexity theory," and some have made significant contributions specifically to our understanding of urban processes. But their concept of complexity, while useful for some purposes, seems to downplay many of the phenomena I have described that are of interest to Jacobs, such as the reciprocating-systems approach described earlier. Moreover, complexity theory is itself not yet part of the economic mainstream, and thus perhaps an aspect of the problem addressed herein.

In addition to issues of complexity, time, and ignorance, mainstream economics differs from Jacobsian economics in not being urban-based, and outside of applied fields it is usually free of much institutional context. By "institutions" I mean the rules and relationships within which we perceive opportunities and make decisions in an uncertain social environment. These sometimes take the form of relationships that are the basis for social networks. Jacobs is actually the first to use the term "social capital" in the sense social theorists

use it today, namely, as network relations that enhance the value or human capital of its members (Jacobs 1961: 138).⁵ Social capital and social networks in general serve as the conduits through which people discover and diffuse new knowledge (Burt 1995), and as we've seen it is in cities with dense and diverse land-uses that the processes of discovery and diffusion principally operate. Mainstream economics abstracts from such institutions (non-mainstream economics, such as the New Institutionalists, aside), whereas these constitute the social infrastructure that complements the physical infrastructure (e.g. public and private spaces) that can profoundly influence social interactions.

However, some highly regarded economists within the mainstream have acknowledged gaining important understanding from Jacobs's work. Robert Lucas, 1995 Nobel Laureate in economics, credits Jacobs for insights on what he terms the "external effects of human capital," with which he sees Jacobs's *The Economy of Cities* as being primarily concerned. Lucas seems to see cities as a potential key in this regard.

Her [Jacobs's] emphasis on the role of cities in economic growth stems from the observation that a city, economically, is like the nucleus of an atom: If we postulate only the usual list of economic forces, cities should fly apart. The theory of production contains nothing to hold a city together. A city is simply a collection of factors of production – capital, people and land – and land is always far cheaper outside cities than inside. Why don't capital and people move outside, combining themselves with cheaper land and thereby increasing profits (Lucas 1988)?

The answer according to Jacobs, though not addressed by Lucas directly, is the population density and land-use diversity that, in an innovative city, give rise to those institutions and the social infrastructure that foster opportunities, discoveries, and development. Such considerations, Lucas observes, "do not easily lend themselves to quantification."

In an important article (Glaeser et al. 1992), Harvard urban economist Edward Glaeser and his research team examine the impact of what they term "Jacobs externalities," similar to Lucas's "external effects of human capital," that might arise when diverse industries cluster. When compared to regions in which less-diverse industries cluster, the diversified regions generate significantly higher labour productivity. And in his 2011 book *Triumph of the city*, Glaeser mentions Jacobs dozens of times, and explicitly pays tribute to Jacobs's influence.

It would take a long and tedious bibliographic essay to mention all the distinguished urbanists who have moved my thinking, but it should be obvious that much of the book bears the imprint of Jane Jacobs, who bestrides the world of cities like a colossus (Glaeser 2011: 272).

Glaeser draws on Jacobs's insights into "mixed uses" in the context of diversifying industries and shares her suspicion of large-scale, public-private projects.⁶

Despite numerous references to Jacobs's ideas in his work, however, Glaeser does not adopt Jacobs's framework of urban-based, dynamically complex economic development based on innovation, at least not explicitly. Nor does Lucas, about whom I feel on much safer ground in saying this. As far as I am aware, no mainstream economist – i.e. a professional economist who is recognized as such by a majority of the profession – has done so. Jacobs's influence has been limited to specific insights, e.g. the importance of mixed uses, of population density, and of cities in economic development, without adoption of any significant portion of her theoretical framework.

Again, the question is why.

5 See also Glenn Loury {2005} on Jacobs being the first to use this phrase in this way.

6 On the other hand, I believe Glaeser (2011) misinterprets Jacobs on limits to building heights – her main complaint in *Death and Life* is against the super high-rise visions of Le Corbusier and not against height *per se* – and on preserving landmarks – at least in her writings (with one exception that I have been able to find) she didn't support the designation of entire districts as landmarks.

7. Conformorality in the urban planning and economics professions

It may simply be that the consequences of urban planning and design are (no pun intended) more concrete and practical in their outcomes than that of economics; their successes and failures more easily traceable to their main causes. Although economists work in business and government, economics remains predominantly a university-based academic profession, which means their outputs are formal, highly abstract, and appears mostly in peer-reviewed journals that few economists read outside their narrow sub-fields. And when economists do consult on public policy, their recommendations, when they are taken seriously (which they typically are not), are perhaps even more diluted by narrow political influences than in city planning. Finally, while economic policy and urban policy both interact with a social order that is highly complex and dynamic, the social environment in which economic policy plays out may be much more dynamically complex, which means that tracing outcomes, good or bad, to specific policies may be more difficult as well. This probably makes economists overall more immune to demonstrable successes or failures than urban planning and design, and consequently better able than planners to ignore incisive criticisms, such as those Jacobs aimed at urban planners. As a result, they may also be more resistant to change.

It could also be that the conventions of modern mainstream economics, with respect to the legitimate methods of scientific analysis, are more rigid than those of urban planning and design, which may regard itself as more craft than science. (I seem to recall reading that in the early 20th century, architects could successfully sue critics for saying bad things about their buildings.) Though certainly theoretical and reliant on technical and quantitative expertise, the fields of planning and design may in general be more open to radical approaches than economics is today.

Another possible explanation for the neglect among economists of Jacobs's work is that Jacobs did not engage with the economics profession in the same way that she did with the planning profession, where she met the planners on their own terms and conventions, drawing on specific examples of failures and successes, and identifying their underlying causes. The battlefields were not planning departments of universities but the Board of Estimate of the City of New York and rallies in Washington Square Park; whereas the accepted venues for economic dispute were and still are in departmental seminars, economic journals, and professional conferences.

To my knowledge, Jacobs rarely attended such conferences or presented her work formally in academic seminars. She did, very notably, author an article published in 1969 in *The American Economic Review*, one of the premier journals in economics, then and now. And to a limited extent, her writings did directly confront the work of certain economists. In *The Economy of Cities* she takes on Adam Smith's conventional history of economics development and in *Cities and the Wealth of Nations* she severely criticizes aspects of the macroeconomic theory and policy of her day. But these were not the sort of conventional articles and technical arguments common among academic economists or well-known enough to draw serious professional attention to her work. Her personal contacts with such economists were few.

Conformorality could supply part of the answer then, in the sense that the social conventions of mainstream economics, and the methods and practices of a professional economist, could have posed formidable barriers to Jacobs's acceptance into the profession. I suspect, however, that there are other reasons in the case of Jacobs, and I am not sure whether these strengthen or weaken the explanatory power of conformorality. Specifically, other schools of economic thought today that are closer to the mainstream in the sense that they follow many of the mainstream social conventions of professional economics, whose members do publish in mainstream journals, present papers at conferences, and attempt to directly engage the mainstream, have also not been terribly successful when it comes to influencing professional opinion.

We might draw a parallel here to the way "market-process economics" (MPE), a.k.a. "Austrian economics," has historically met with resistance in the economics profession. I choose MPE because I associate myself with

this particular school of thought, but even more because of all the current schools of economic thought, MPE comes the closest, indeed very close, to the Jacobsian economic framework and its underlying social theory. I don't have the space here to give an extensive and detailed discussion of the degree of overlap between Jacobsian economics and MPE, so the interested reader should consult Ikeda (2024), especially Chapter 2, which also offers arguments for why the profession should take Jacobs's economic contributions seriously. But like Jacobsian economics, MPE largely eschews the equilibrium-cum-efficiency approach at the core of mainstream economics and views the market economy, as the name suggests, as a dynamic process driven by entrepreneurial discovery, much as Jacobs does. And despite its attempts to follow the academic conventions I have described, MPE has had very modest success in gaining recognition within the profession. This is likely owing to the very nature of the MPE approach and framework itself. This suggests to me that, to the extent there is overlap between Jacobsian economics and MPE had Jacobs followed the conventions of mainstream economics in her economic work, her ideas would likely have met with no greater acceptance than those of MPE; perhaps less so given her lack of academic credentials, and far less acceptance than have her ideas on planning.

8. Concluding thoughts

Jacobs's planning ideas may have arrived at a time when the obvious problems created by urban policy in mid-twentieth-century America set the stage for fundamental changes in the planning mindset, which was then ready to move away from the "high modernism" of Le Corbusier, CIAM, et al. – a time of weaker conformality in the profession.

What about her economics?

While the neglect of Jacobsian economics among urbanist is puzzling, perhaps it is part and parcel of their general resistance to economics, in the economics profession the reason for the neglect may be a clearer.

In 1980 a special issue of the journal *The Public Interest* announced "The Crisis in Economic Theory." It was a period when the Keynesian orthodoxy was quickly losing its credibility in macroeconomics, owing empirically to so-called "stagflation" (i.e. simultaneous high inflation and high unemployment) and theoretically to a perceived lack of rigorous grounding in microeconomic modelling, especially in the way economic agents form their expectations. This was around the time when Jacobs published *Cities and the Wealth of Nations* (1984), which, as noted, contains a harsh critique of mainstream macroeconomics. So in that setting why weren't the ideas of Jacobs, MPE, and other heterodox economic approaches more welcomed?

I think part of the answer is that despite the serious questioning taking place, mainstream economics didn't really experience a "post-modern moment" in the way perhaps the planning profession did. That is because macroeconomics – which focuses on the behaviour of aggregates such as gross domestic product or the rate of unemployment or inflation – regained its balance by grounding itself in a more stable but even more orthodox microeconomic foundation of constrained optimization, based on the choices of highly rational agents. And because microeconomics, with its highly formal methods and conventions of which both Jacobs and MPE are highly skeptical, was then very much in the grip of 20th century modernism, as it still is today. Neither Jacobsian economics nor MPE could find much purchase in such an environment.

So, we might posit the existence of relatively weak conformality at the time to help explain the relative success of Jacobsian planning theory in the planning profession (especially compared to its effective resistance to economic analysis in general), and of relatively strong conformality to help explain the almost complete lack of success of Jacobsian economics in the economics profession.

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