

SOCIAL SCIENCE: SUNDAY IS JANE JACOBS DAY

Tribute to a visionary who scrutinized 'everyday life'

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May 3, 2008

When Jane Jacobs died two years ago, she was working on two books. One was to be called *A Short Biography of the Human Race* and was going to refine the ideas she had begun to develop in her short, fierce book of warning essays, *Dark Age Ahead*. I was very much looking forward to what she had to say about a possible future that she viewed with more hope and optimism than her last published work would lead people to believe.

Her other project was equally ambitious. *Uncovering the New Economics* was to be an anthology of her thinking on economic life. She was busy choosing excerpts from a lifetime of writing and thinking on the nature of economies and cities, seeking through hindsight the coherence in insights she described as "accidental" (but that seemed to me anything but).

Tomorrow, on the anniversary of her birth in 1916, it's Jane Jacobs Day in Toronto, but her influence has reached much farther than her adopted city. Ms. Jacob was vitally important in explaining what makes great urban neighbourhoods. As an activist, she stood up to New York City planner Robert Moses and helped to stop neighbourhood demolitions in Greenwich Village, Toronto and elsewhere.

Always her own woman, she had a different notion about how she wanted to be remembered. As she explained to reporter Bill Steigerwald in 2001: "The most important thing I've contributed is my discussion of what makes economic expansion happen. This is something that has puzzled people always. I think I've figured out what it is. Expansion and development are two different things. Development is differentiation of what already existed. Practically every new thing that happens is a differentiation of a previous thing, from a new shoe sole to changes in legal codes. Expansion is an actual growth in size or volume of activity."

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SECTION 4 SATURDAY, MAY 3, 2008 DOUG SANDERS VISITS THE ARBAND POPPY FIELDS, PAISE **Globe Focus**

ISRAEL AT 60: 13 YEARS OF SHOCK

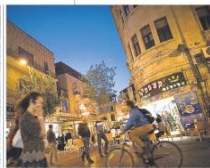
1948

The Sarsur Building in Jerusalem was appropriated after the Arab family that owned it fled the violence surrounding Israel's declaration of independence



2008

Since then, the Sarsur and adjacent Zion Square have witnessed all the varieties of gain and contradiction that make up Israel's history. **Mark MacKinnon** reports



Three storeys – and a nation – built by tragedy

OF THE HISTORY has, there is a...
THE BUILDING...
ON THE WEB...
Israel Through the Decades...
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HONOURS...

Honours for an Alberta-born doctor How John Bell's persistence in genetic research led to giant breakthroughs in the field, and an invitation to Buckingham Palace. Page 6

DOUG SANDERS VISITS THE ARBAND POPPY FIELDS, PAISE



In all her work, most pointedly in the didactic dialogue of *The Nature of Economies*, Ms. Jacobs brought new angles to bear on the logic of growth. She looked to nature and ecologies for her insights, as well as the streetscapes and people around her, and took on the giants of the dismal science with zeal.

Adam Smith argued in *The Wealth of Nations* that specialization, efficiency and division of labour are the cornerstones of modern economic growth. Later, David Ricardo's theory of comparative advantage argued that not just firms but countries gain advantage by specializing in certain kinds of economic activity.

Ms. Jacobs agreed that specialization has its uses, but she focused on an even more fundamental source of economic growth - or what she terms expansion. Like the great economist Joseph Schumpeter, she emphasized the critical importance of innovation and entrepreneurship. In her eyes, the prospect of new types of work and new ways of doing things drove large-scale economic expansion.

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But where most economists located momentum in great companies, entrepreneurs and nation states, Ms. Jacobs presciently identified great cities as the prime motor force. Companies come under extraordinary pressure to specialize - to do things more cheaply, efficiently and uniformly. But cities are host to a wide variety of talents and specialties, the broad diversity of which is a vital spur to creating things that are truly new.

In *The Economy of Cities*, Ms. Jacobs wrote: "The diversity, of whatever kind, that is generated by cities rests on the fact that in cities so many people are so close together, and among them contain so many different tastes, skills, needs, supplies, and bees in their bonnets."

Along the way, she also refuted the long-standing theory that cities emerged only after agriculture had paved the way for them. Productivity improvements in agriculture, she pointed out, always originated in cities before being adopted in rural areas.

Ever since Alfred Marshall's seminal writings, economists have thought of cities as clusters, or "agglomerations," of firms, factories and industries. Ms. Jacobs turned this notion on its head, arguing that the true power of cities comes from their people. This human clustering makes each who reside in it more productive, which in turn makes the place they inhabit much more productive. Our collective creativity and economic wealth grow accordingly.

In his essay on the "mechanics of economic development," the Nobel Prize-winning economist Roger Lucas of the University of Chicago wrote: "I will be following very closely the lead of Jane Jacobs, whose remarkable book, *The Economy of Cities*, seems to me mainly and convincingly concerned ... with the external effects of human capital." He later dubbed the clustering of human capital a "Jane Jacobs externality" and added that her insights were so fundamental that Ms. Jacobs - neither a trained economist nor a college graduate - deserved the Nobel Prize in economics.

I'll go one further. Ms. Jacobs stands without equal as the single greatest

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economic and social thinker of our time. I learned the secret of her genius when I had the privilege of spending time in her home in the Annex area of Toronto and sharing the podium with her at an event in the city's Distillery District.

Ms. Jacobs cautioned me never to be blindsided by overly academic theorizing, but to keep my eye on our shared human reality. That is exactly what she did - trained her keen powers of observation on "just everyday life." More than anyone else, she was able to distill the very essence of our greatest achievement as human beings: our cities, and the way they shape our economy and society.

*Richard Florida is the author of *Who's Your City* and director of the Martin Prosperity Institute at the University of Toronto.*