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1 – PEOPLE RATHER THAN PLACES

From a [book review](#) by Wendell Cox:

“People rather than places” should be the focus of urban policy, according to [Urban Economics and Urban Policy: Challenging Conventional Policy Wisdom](#). The book is among the most effective critiques of contemporary urban planning thought, characterized by such approaches as urban containment, compact city, and densification. ...

It has long been known that urban containment policy is fundamentally flawed, principally by its inconsistency with the fundamentals of economics, which leads to destructive housing affordability losses.

Urban containment’s forbidding or severely limiting house construction on the urban fringe has been associated with huge house price increases. This is particularly evident across the United Kingdom, which receives the principal attention from the authors. There house prices have doubled and even tripled compared to incomes. Obviously, being forced to spend more money on housing, people have less discretionary income to spend on other goods and services (and discretionary income virtually defines the standard of living and poverty).

Rather than improving the standard of living and reducing poverty, which are fundamental domestic policy objectives, urban containment leaves in its wake “rising real house prices, falling affordability and increasing price volatility.” The authors note that price fluctuations are significantly greater where restrictions on devel-

opment do not allow the supply of new housing to sufficiently respond to increases in consumer demand. To this they add concerns that all of this is leading to greater inequality. ...

The authors suggest that the planning objective of a compact city may “be a planner’s dream but for ordinary people it is more like a nightmare.” They further imply that urban planning establishment has been “tone deaf” on the consequences of urban containment policy. ...

This can be seen across Australia and New Zealand, where the housing affordability losses have been at least as severe as in Britain. In the United States the predicament is highly regionalized. We can see its impacts in Portland, as well as huge losses in housing affordability in California, Seattle, Denver and elsewhere. And in Canada there is Vancouver and Toronto, where house prices have nearly doubled relative to incomes since 2000. ...

[The authors] suggest that: “any useful and rational debate should attempt to rigorously quantify the benefits conferred by the system rather than just assert them as ‘fact’.” ...

The authors say that “the economic and welfare – even environmental – damage done by Britain’s current planning system is overwhelming.” Moreover “the impact will get progressively more damaging over time.” The same damage can be expected beyond Britain, to the United States, Canada and wherever else urban containment policy is implemented, because of its fatal aversion to the realities of economics.

Trend Analysis That Builds Business Decisions

2 – THE NEW AUTHORITARIANS

Progressives may preach the joys of localism, but the trend in government is all the other way in everything from climate change to the economic complexion of your neighborhood. So [writes](#) Joel Kotkin

An excerpt:

World leaders – the super-rich, their pet nonprofits, their media boosters, and their allies in the global apparatus – gather in Paris to hammer out a deal to transform the planet, and our lives. No one asks much about what the states and the communities, the electorate, or even Congress, thinks of the arrangement. The executive now presumes to rule on these issues.

For many of the world's leading countries – China, Russia, Saudi Arabia – such top-down edicts are fine and dandy, particularly since their supreme leaders won't have to adhere to them if inconvenienced. But the desire for centralized control is also spreading among the shrinking remnant of actual democracies, where political give and take is baked into the system. ...

Under President Obama, rule by decree has become [commonplace](#), with federal edicts dictating policies on everything from immigration and labor laws to climate change. No modern leader since Nixon has been so bold in trying to consolidate power. But the current president is also building on a trend: Since 1910 the federal government has doubled its share of government spending to 60 percent. Its share of GDP has now grown to the [highest level](#) since World War II. ...

Already the disconnect between the hoi polloi and the new bureaucratic master race has spawned a powerful blowback, as evidenced by the rise of rightist, even quasi-fascist parties throughout the old continent. The people at the top – includ-

ing much of the business leadership – may like the idea of a central European master-state, but [support](#) for the EU is at record low. Increasingly Europeans want, at the very least, to dial down the centralization and bring back some control to the local level, and something of the primacy of traditional cultures and what are still perceived as “European values.”

In some ways, the extreme discontent in America – epitomized by the xenophobic Trump campaign – reflects a similar opposition to bureaucratic overreach.

This conflict can be expected to grow as new federal initiatives – initiatives that seek, among other things, to enforce racial and class “balance” in neighborhoods and high-density housing in low-density suburbs – stomp on even the pretense that cities might have any control over their immediate environment. This policy is being adopted already in some regions, notably [Minnesota](#), where planners now seek to change communities that are too white and affluent populations need to meet [new goals](#) of class and economic diversity. ...

In contemporary North American and the EU, the ascendant controlling power comes from a new configuration of the cognitively superior, i.e., the academy, the mainstream media, and the entertainment and technology communities. This new centralist ruling class, unlike the Tories, relies not on tradition, Christianity, or social hierarchy to justify its actions, but worships instead at the altar of expertise and political correctness.

Ironically this is occurring at a time when many progressives celebrate [localism](#) in terms of food and culture. Some even embrace [localism](#) as an economic development [tool](#), an environmental win, and a form of resistance to ever greater centralized big-business control.

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Yet some of the same progressives who promote localism often simultaneously favor centralized control of everything from planning and zoning to education. They may want local music, wine, or song, but all communities then must conform in how they operate, are run, and developed. Advocates of strict land-use policies claim that traditional architecture and increased densities will enable us to once again enjoy the kind of “meaningful community” that supposedly cannot be achieved in conventional suburbs.

In the process, long-standing local control is being squeezed out of existence. ...

The centralization of power reflects disturbing tendencies in our economic life. Despite all the hopes for a more distributed, less concentrated “new economy,” we appear to be moving ever more toward economic centralization on a massive scale. Indeed, after decades of losing market share to smaller firms, the share of GDP controlled by the [Fortune 500](#) has risen from 58 percent of nominal GDP in 1994 to 73 percent in 2013. ...

The increasing power of the central state is the bane of small companies. Washington’s efforts to control financial [activities](#) proved a disaster for the country’s entrepreneurial economy, long dependent on small community banks for loans. Overall for the first time in recent memory ([PDF](#)), more businesses are being destroyed than created. Concurrently, if unsurprisingly, the [middle class](#) is shrinking, and seeing its share of the economy steadily diminish.

There are some alarming parallels between these developments and the last days of the Roman Republic. There, too, developed a similar tendency toward vicious partisanship and a growing concentration of wealth in a few hands. ...

Yet there’s a problem with centralization: People don’t trust the very institutions that would be

charged with carrying out their policies. Levels of trust for the dominant institutions like the federal government, Congress, the courts, big banks, media, and the academy are at historically [low levels](#).

Roughly half of all Americans, according to [Gallup](#), now consider the federal government “an immediate threat to the rights and freedoms of ordinary citizens.” In 2003 only 30 percent of Americans felt that way. Even in my home state of California – now a mecca for ever-expanding government – large majorities favor transferring tax dollars out of Sacramento to the localities, according to a December Public Policy Institute of California [poll](#).

Critically this blowback is not among conservatives or exurbanites. Much of the strongest opposition to the federal and state planning regimes are in areas such as California’s Marin County, north of San Francisco, where residents have [objected](#) to densification schemes that, they maintain, would undermine the “the small-town, semi-rural, and rural character of their neighborhoods” – the very qualities that attracted them there in the first place. ...

As Alexis de Tocqueville noted in the 1830s, the genius of this republic lies not in its central state, but in its dispersion, voluntary association, and ideological diversity. If we undermine the legacy of our federal structure to something more akin to that, say, of France or Russia, the United States could no longer play its historic role as a rare beacon of independence and self-government in a world increasingly dominated by various manifestations of centralized tyranny.

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3 — FREEDOM AND CENTRAL PLANNING CAN NEVER COEXIST

Brandon Smith writes at alt-market.com:

Not all people necessarily “love” their current government, but many citizens tend to see the idea of government as an inevitability of a stable society. They assume pre-eminence of the state because they have never known anything else. Not only that, but as people separate into political and ideological factions, often based on false paradigms (such as the false left/right paradigm), they covet government as a kind of tool or weapon that can be used for “the greater good” if only their side had total control of it. Very few people in this world want to shrink government down to a manageable size comparable to that which existed just after the American Revolution, and even fewer would entertain the idea of erasing central governments entirely. The allure of the federalized state as a means to impose ideological control over others is intoxicating. ...

At bottom, the only viable purpose of any central government is to safeguard individual liberty. All other claims and supposed benefits are irrelevant. Infrastructure, food and water, health, education, public security, etc: All of these issues can be provided for voluntarily at a local level by common people without the aid of a central authority. The original intent of the US Constitution and Bill of Rights was to LIMIT government to the job of ensuring the continuance of a free citizenry. One could certainly argue that that role has been lost; not because of the Constitution itself, but because of the lack of vigilance needed to defend the integrity of the Constitution. One could also argue that the very nature of a federal government is one of inevitable corruption; many of the founding fathers did, after all. ...

In a culture where vigilance is encouraged rather than labeled paranoia, in a culture where productivity is enabled rather than obstructed, in a

culture where free thought is treated with interest rather than disdain, government holds no value.

The only people who understand the true nature of government and still value the existence of an overreaching state are the people who would like to take advantage of the unchecked power such a state affords. We often call these people “elitists.” They often call themselves elitists. Big government serves only the interests of these elites. Everyone else is either a hapless victim of it, a useful idiot in service of it, or a revolutionary opposed to it.

When a government becomes a power mechanism for a select few, it has lost all relevance. When a government like ours here in America violates the tenets of individual liberty despite its constitutional mandate, in the name of “protecting” individual liberty, that government no longer serves any purpose. Even further, when a government’s policies are designed only to ensure its own continued dominance rather than the freedom and prosperity of the citizenry, that government becomes separate from the people and is, by extension, an enemy to the citizenry.

Governments and the elites behind them retain control over populations through the use of central planning. Central planning is essentially a bureaucratic structure that bottlenecks productivity, resources, academia and ideas until all progress and expression require approval. That is to say, central planning is a machine that turns rights into privileges.