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The city: private or public?

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Abstract

This article analyzes the privatization of city governments in the United States. The focus is not on the contracting out of city services or the selling of city property to the private sector. The focus instead is on the conceptual, financial, and structural privatization of city governments themselves. The article describes this privatization by focusing on three aspects of city governance: city services, economic development, and the design of the city population. It presents two contrasting ways to conceptualize and structure these city functions, one embraced by the private city and the other by the public city. By doing so, it seeks to emphasize the different kinds of choices facing state governments when they empower and disempower city governments and to suggest what is at stake, both for individuals and American society as a whole, when these choices are made.

Introduction

Cities in the United States can no longer be categorized in terms of the distinctions between the state and society, the government and the market, the public and the private. The second term in these dichotomies has increasingly invaded the sphere of the first. By this I am not referring to the practice of contracting out city government services or selling city property to the private sector (important as that phenomenon is). I am referring instead to an increasing privatization of city governments themselves. This privatization has taken many forms – conceptual, structural, and financial – and, as a result, it has become harder and harder to articulate what we mean when we use the word "public" to describe city governments. This article will describe this transformative process in the United States and, then, will attempt to reinvigorate what a public city is and should be.

Private city

City services

Let's start with the erosion of the public conception of city services. Many people consider the principal function of city government to be the provision of services such as education, sanitation, police, fire, infrastructure, parks, and the maintenance of safety standards for buildings and restaurants. These services are traditionally paid for by taxes – mostly by property taxes, but, in some cities, by sales or income taxes as well. (State governments usually allocate state tax revenue to provide additional support for some of these services.) The basic conception underlying this scheme is that everyone contributes, through taxes, to support these important ingredients of city life, which, in turn, are available to everyone free of charge. It doesn't matter whether one has kids in school, uses the park, or has ever called the police or the fire department. Everyone pays, and everyone is benefited by living in a city with an educated population, good infrastructure, and safe streets.

This public conception of city services has a rival. It begins by imagining individuals choosing a city to live in by selecting the one that provides the services they want at the lowest cost in taxes (Tiebout, 1956).[1] This 'best bang for the buck' idea pictures city residents as consumers who treat city services the same way they treat goods in the market place. In a market society, people only pay for goods and services that they use, and they seek to pay the lowest possible price for whatever they buy. The key move in this conception is its envisioning of taxes as a price that individuals pay for city services. Once that idea is in place, adopting a consumer's attitude toward the services cities provide seems to follow. Obviously, you wouldn't pay for services you don't want. And, just as obviously, the more you pay the more you should get. From this perspective, parents with kids in school rightly pay taxes to support them. But why should those without children pay for schools? And why should people pay for parks if they don't use them (backyards are fine), let alone pay for affordable housing subsidies that poor people need but the rich don't? You should get what you pay for, but you should only pay for what you get.

The most straightforward way that the finance and governance structure of local government supports this alternative conception of city services is the increased reliance in the United States on fees, rather than taxes, to provide city revenue. This reliance on fees has been spurred, in part, by state-imposed limits on local taxes. Across the country, cities operate under strict limits on property tax rates, and they cannot impose sales, income or other taxes without state authorization. Fees, on the other hand, are easier to implement. The fee-for-service idea has long been popular for some essential aspects of city life, such as clean water, the public transit system, and business licenses. But it's tempting to add more. Shouldn't the people who live in a new development pay for the street lights, sidewalks, and other infrastructure that they need rather than having the city as a whole support them? A lot of new development in the United States is funded in just this way. Shouldn't the state legislature authorize the creation of property-owner organizations that can improve commercial

[1] The intellectual foundation for this picture is usually thought to be Charles Tiebout's article, "A Pure Theory of Local Expenditures". But in fact it is a popularized, distorted version of Tiebout – one that eliminates his assumptions, including his assumption that everyone lives on dividend income – that has captured the imagination of ordinary citizens.

areas by charging business owners for 'extra' sanitation pickup, security, and street amenities? These kinds of organizations – called business improvement districts – are multiplying in the United States. But why stop there? Once one embraces the fee-for-service structure of the marketplace, the list can be expanded to cover more and more services. Why should parks be free? Disneyland isn't.

Fees are not like taxes. Tax revenue can be spent for any public purpose. Fee revenue, on the other hand, can legitimately be spent only for the services that the fees support. Fees, in other words, do not allow for redistribution. They allocate government resources to those who contribute to them rather than to those who need them. This narrowing of focus thus shifts government attention to consumers rather than to citizens generally. And it is reinforced by the shifting of responsibility for city services from democratically-elected city government to mixed public-private forms. The business improvement districts mentioned in the last paragraph are an example of this phenomenon. They are government-created organizations, run by property owners, authorized to provide additional local services to selected parts of the city. Business improvement districts spend their revenue on those who contribute to them, not on the city at large. Neighborhoods that cannot afford the extra charges cannot afford a business improvement district. Indeed, they may face a neighborhood decline because those who benefit from business improvement districts might seek to reduce city-wide funding for services. After all, they already get what they need.

Another important structural and finance mechanism fostering a privatized version of city services is the allocation of the responsibility to provide services not to the city but to public authorities – state-created corporations, run by a board of directors, authorized to manage specific services. The most familiar examples are transportation authorities: the Port Authority of New York and New Jersey, the Massachusetts Bay Transportation Authority, the Los Angeles County Metropolitan Transportation Authority. But there are many others: the Massachusetts Water Resources Authority, the Chicago Housing Authority, the Fairfax County Park Authority. These organizations are thought of – and are run – more like private corporations than city governments. The Board of Directors is usually appointed, not democratically elected, and even when it is elected, the vote is often restricted to property owners rather than being open to citizens generally. These public authorities manage businesses, pay their executives more than the city pays its officials, raise revenue from their customers, and are authorized to issue their own debt outside the city debt limit. And they spend their money only on their assigned task, not on city needs more generally. Once these corporate forms take over important city services – and once fees become a widely accepted form of revenue raising for other services – it doesn't take much of a stretch to think of the whole city as a business, with taxes and fees as the price paid for what its customers want. Indeed, it is not a major step to embrace full-scale privatization. After all, what's the difference between a fee-for-service, corporate form of government and the private sector?

Economic development

A second important city function – economic development – is organized in terms of a different conceptual, structural, and financial form of privatization. Simply envisioning economic development as a key city government responsibility (perhaps the key city government responsibility) shifts a city government's attention away from resident-focused city responsibilities (such as city services) toward outside investors and real estate developers. Competition for financing from these sources is intense in the United States. Many city officials think they have no choice but to enter the competition. A refusal, they believe, will condemn their city to decline, perhaps worse. This focus on outside investment, however, is not due simply to the importance of economic development to a city's vitality. Cities cannot generate economic development on their own because they lack the resources to do so. State-imposed limits on taxation and debt financing, along with popular opposition to taxation, has made fully public economic development inconceivable. Since adequate city government resources are unavailable, the only possible strategy for economic development is for cities to try to raise money from those who have money: private corporations, developers, and financial institutions. Besides, cities could not stop the chase for investor dollars even if they wanted to. State-run public authorities – such as Empire State

Development in New York – have taken over a substantial share of decision making concerning city economic development. Given the necessity of relying on private money, economic development has become defined in terms of a variety of public-private mechanisms, such as public-private partnerships, tax increment financing, and a reliance on private institutions to implement public priorities.

Public-private partnerships sound uncontroversial – who's against partnerships? – but the term begs an important question. What's public about these arrangements? Investors and developers have ideas about how to make money, and they are not going to begin a discussion if the city isn't interested in satisfying that basic goal. Moreover, there is a conventional list of projects that have captured investor imagination about how money is to be made. High-rise development – the higher the better – tops the list. The kind of high-rises can vary – office buildings, 'luxury' condominiums, and mixed-use-commercial-hotel-residential buildings are all possibilities – but, for all of them, size matters. To be sure, there are also low-rise alternatives, particularly for residential developments and shopping malls. But these kinds of development are not as different from high rises as they may seem. To be profitable, both kinds of projects have to attract the right kind of people. And both define the right kind of people in the same way. Economic development, in short, has taken on a very specific definition, one that focuses on a limited set of people and architectural styles, thereby side-lining alternative definitions that would concentrate development attention on small local businesses, the rehabilitation of existing housing, and neighborhood revitalization.

The city's role in this kind of development is to attract investor and developer interest. They do so by paying for land acquisition, demolition, and infrastructure costs or by offering tax write-offs or other incentives. Some of the cities that investors find most desirable do more. They condition their approval of the proposed projects by requiring certain benefits to the city, such as a specified amount of affordable housing and the provision of public space. These additional requirements, however, do not change the basic nature of the development. Quite the contrary. It is common for cities to 'buy' these public benefits by allowing a high rise to be higher – to reinforce, in other words, the definition of economic development that the investor is seeking to foster. Of course, many cities cannot require these public benefits because they cannot afford to risk investor opposition to them. Others do not even have the ability to offer financial incentives. The embrace of this conception of economic development by these kinds of cities thus risks failure. But even the cities that succeed in attracting the investment face a cost. They need to adopt the privatized definition of development embraced by those who are putting their money on the table.

City financing mechanisms reinforce this limited definition of economic development. A common form of financing – tax increment financing – illustrates this phenomenon. The idea of tax increment financing is relatively simple. Development of the kind that investors want (high-rise buildings, high-end residential and commercial use) increases the value of the land where the development takes place. This increase in value will generate increased property tax revenue for the city. The city's financing of its contribution to the development is made possible by this tax increment. To finance its share of the deal, the city issues bonds that are secured by setting aside this increased property tax revenue. The tax increment, in short, is used to pay off the bonds. Tax-increment financing works, however, only if the anticipated property tax increase takes place. If it doesn't, the city government still must pay off the bonds. This is quite a risk, one that leads the city to agree with the developer's definition of development. Only certain kinds of development are thought to generate the necessary revenue. Moreover, even if the revenue goals are met, there is another cost. Since the property tax revenues generated by the development are dedicated to paying off the bonds, they cannot be used for other city purposes such as city services. Tax increment financing thus allocates limited city resources to the development rather than to other city priorities. (Often, the government entity participating in this scheme is not the city government but a public authority, thereby avoiding the state-imposed limits on city debt that might prevent the issuance of the bonds. The public authority structure reinforces the privatized nature of tax increment financing.)

It might be useful to conclude this section with an economic development idea other than high-rise buildings and high-end residential development. In

Massachusetts, where I live, many people travel from the Boston metropolitan area to Cape Cod, an area of the state known for its beaches and holiday living. But traffic is terrible, made worse by the congestion on the road leading to the main bridge that links Cape Cod to the rest of the state. The wait to cross the bridge can take several hours (I can testify). Surely another bridge would be a good idea. (Yes, mass transit would be a good idea, too. Some argue that traffic congestion is a good way to stimulate interest in mass transit. But let's be realistic: driving to the Cape is not going to be reduced any time soon.) The question arises: how to finance the estimated $400-700 million cost of a new bridge? The answer being proposed is to form a consortium of private investors who would build the bridge and be repaid by the tolls they would charge to cross it (Chesto, 2015). This is not a novel idea – private roads already exist in the United States, with the toll revenue allocated to pay off the investment.

What's wrong with this idea? The citizens of Massachusetts get a bridge without using tax revenue, and only those who use the bridge will pay for it. The state doesn't have the money to pay for a new bridge itself. One problem becomes apparent when one focuses on the toll revenue. No doubt the investors will want to make a profit (an annual return of 10-12% has been estimated). If the bridge were built by the government, that money could be spent on other public priorities, such as mass transit. The investor-financing scheme, in other words, resembles tax-increment financing: resources that might be used for other public purposes are being allocated to investors. A host of other questions also need to be addressed. Are toll roads a good idea? The proposed charge – $4-5 per trip – will be more of a burden on the poor than the rich. Will the people who live near the bridge get a discount if they use the bridge on a daily basis? The existing bridge is free. Will traffic patterns be organized so that those who can afford it will use the new bridge and others will use the free bridge? What is the impact on society of this kind of built-in division of infrastructure along income lines? Should we build a transportation system that leaves some people stuck in a traffic jam while others with money speed by? What is the role for democratic participation in answering these questions?

Designing the city population

My final example of privatization affects not just services and development but the identity of the people who can benefit from these city activities. State governments have empowered cities in the United States to limit the kinds of people who can live within their borders, thereby enabling insiders to exclude from their city those whom they consider to be 'undesirable'. Organizing cities to be homogeneous in this way – to include only 'people like me' – provides a feeling of comfort, familiarity, and safety, as well as amenities, that many people seem to want. Of course, not every city can offer this feeling of comfort. Those excluded have to live somewhere. The fact that states permit cities to adopt an exclusionary urban policy thus doesn't lead to a world in which every city embraces exclusion. Instead, it divides the population of American metropolitan regions into areas of privilege, areas of diversity, and areas of need. I sketch below some of the legal rules that enable this separation and division of the metropolitan population. First, however, a more fundamental question needs to be addressed. What is the conception of a city that is embraced by organizing it through exclusion?

The answer, I suggest, is that the exclusionary city is built on the model of private property. After all, one of the traditional ingredients of the private property right is the right to exclude outsiders (Cohen, 1954). The cities that are most clearly identified with this conceptual extension of private property rights are the wealthiest suburbs. Residents of these suburban cities think that it is uncontroversial that they can not only exclude undesirables from their own homes but from their neighbors' homes as well – indeed, from the city as a whole. This is the private city in its purest form. Residents are assured that undesirables cannot live in town and, therefore, that their problems are not the residents' concern. Specifically, it assures them that these outsiders' needs will not be a drain on city resources. It is even unlikely that those being excluded will come to the city for a visit. Cities that are overwhelmingly residential accomplish this extra layer of exclusion easily. Why would people go to a residential development unless they know someone who lives there? It is also simple enough to tailor commercial life to attract only a high-income population. A careful selection of the stores in the shopping center is all that is needed. Despite all this exclusion, residents of even the most exclusive cities still experience them as public. Although the malls and restaurants may be privately owned, they are filled with lots of people – and people are different from each other. The idea of being in the public thus becomes narrowed, sanitized, homogenized. The sense of the public, in a word, is privatized.

The most familiar way this privatized kind of city can be created is through zoning. Zoning law allows cities to impose requirements that prevent poor people from moving to town. Minimum lot sizes, exclusion of apartment houses and other types of multi-family housing, and building code requirements often do the trick. In an important case, the Supreme Court of the United States celebrated this kind of zoning:

> A quiet place where yards are wide, people few, and motor vehicles restricted are legitimate guidelines in a land-use project addressed to family needs . . . The police power . . . is ample to lay out zones where family values, youth values, and the blessings of quiet seclusion make the area a sanctuary for people.[2]

Relying on this reasoning, the Court upheld as constitutional a local ordinance that limited to two the number of unrelated adults permitted to live in a dwelling. Restricting land use to single-family housing thus does not exhaust the options that generate exclusion. Limiting the number of unrelated people allowed to live in that housing is another possibility. There are many examples of unrelated adults that can be affected by this kind of restriction. Immigrants, retirees, and students all might want to share housing to lower costs. (The case involved students.)

There is an even more privatized way to embrace exclusion than this kind of reliance on city ordinances. Rather than seeking to obtain a city charter, developers can create a homeowners association. Homeowners associations are creatures of property law rather than local government law. They are governed not by city ordinances but by property law rules (rules that lawyers call covenants and servitudes). When people move in, they sign a contract to abide by these rules. Once this legal structure is in place, the governing board of the homeowners association is empowered to control land use decisions and provide services in a manner comparable to city governments. And they collect revenue from their residents – called assessments rather than taxes – that pay for whatever they do. Actually, it is not quite accurate to analogize these boards of directors to city governments. Homeowner associations strictly regulate the architectural styles of housing and specify standards of behavior for residents in ways that often exceed what cities are authorized to do. To be sure, homeowner associations exist within government boundaries – county, state, and (sometimes) city boundaries. State law both authorizes and restricts the ability of these associations to control the nature of their population. They can only do what the legal system permits them to do. (Overt racial exclusion, for example, is prohibited.) For our purposes, the key point is that no one thinks of these homeowners associations as public bodies. They are extension of private property. More than 63 million people in the United States now live in these kinds of associations.

It would be a mistake to end this discussion of exclusion without mentioning large central cities. Major central cities themselves design neighborhoods that are starkly different from each other, dividing and separating a population that, city-wide, is often quite diverse. The mechanisms they use are subtler than those used by suburbs and homeowners associations. There is no exclusion of categories of people from the borders of the city, and everyone within the city is subject to the same city-wide taxing and spending policies. Equally importantly, city-wide democratic control requires at least some significant attention to city-wide needs. Still, zoning rules and economic development policy can have exclusionary effects. By authorizing the building of high-end development in some parts of the city, lower income people can be priced out of living in the neighborhood. By authorizing the building of large-scale public housing in other neighborhoods, high income people are given a reason to move elsewhere. The end result of these kinds of policies are not exclusionary to the same extent that the rules governing wealthy suburbs and homeowners associations permit. Mixed income neighborhoods, diverse populations, small-scale development remain vital and important.

[2] Village of Belle Terre v. Boraas, 416 U.S. 1, 9 (1976).

Nevertheless, many people fear that the long-term effects will be exclusionary. Increased gentrification of some central cities, they claim, fueled by the embrace of a privatized definition of economic development, will push poor people out of the city. At the same time, the failure of current economic development policies to help ordinary residents, together with the decline in services produced by reduced city revenue, will overwhelm other central cities, leading not just to concentrated poverty but, in some cases, to bankruptcy.

Public city

The sketch of the private city just advanced should not be read to suggest that privatization is the only option for American cities. There are also, for each of the examples just offered, public alternatives. I turn to these alternatives below. But it is important to emphasize here at the outset that the term 'public' does not refer to a single idea when used to modify the word city. We have already seen the same phenomenon for the term 'private' in the examples offered above. The 'you-get-what-you-pay-for' version of city services, the investor-dominated conception of economic development, and the exclusionary city refer to different, albeit sometimes overlapping, aspects of the private realm. Privatized city services appeal to residents' experience as consumers rather than to their experience as citizens in the design of the services. Investor-generated economic development enables financial and development institutions to define what development means. The exclusionary city embraces a version of the distinction between the self and others that seeks to create for the self "a haven in a heartless world" (Lasch, 1995). The public/private distinction, in short, has many meanings, and each of the examples discussed in this article offers its own version. (Many others are not discussed here.) For that reason, I will investigate the conceptual, structural, and financial ingredients of the public city by examining the same three aspects of city life just explored for the private city.

City services

The most useful way to think about a public version of city services is to discuss specific services. To be sure, all public versions of city services have something in common: they reject a consumer-oriented conception and replace it with one that sees city services as serving a wider population and a larger purpose. But the way they do so is not the same. To illustrate, I will limit myself here to two examples: schools and police. In the United States, these are the two most important responsibilities of local governments.

Public schools have a social function. In school, as John Dewey put it, "each individual gets an opportunity to escape from the limitations of the social group in which he was born, and to come into living contact with a broader environment." It is there, Dewey continued, that individuals are introduced to a perspective broad enough to encompass the "different races, differing religions, and unlike customs" that constitute American life (Dewey, 1916: 20-21). This educational experience affects more than just the ways that individuals learn to think about the world. Public schools are a primary vehicle for the reproduction of American society itself. Schools, the founders of American public education recognized, are the "public's agencies for creating and re-creating publics" (Cremin, 1977: 50).

This perspective has many implications, some of them quite radical. To begin with, it sees the public school not simply as a commodity that parents buy (with taxes) for their own children but as serving a community-building function for everyone in the city and, indeed, for the nation as whole. To foster such an inclusive sense of the public, public schools need to be free; every child, regardless of the family's wealth, has to be entitled to go. The schools need to be open to everyone in other senses as well. There can be no admission requirements – no aptitude tests – that bar some children from the schools. The schools have to reflect the diversity of American society, otherwise the exposure to the different races and different cultures will not take place. Finally, the schools need to be of sufficient quality to do their job: they have to provide the education necessary to prepare the next generation for citizenship. None of these implications eliminates the privatized notion that schools should teach the skills that parents want for their own children. It seeks to enable this goal for every parent – and, at the same time, to serve the social goals education can provide.

Public schools in the United States are not organized to achieve these objectives. All government-run schools are considered public schools. As a result, the schools – usually run by a school district but sometimes by the city itself – qualify as public whether or not they satisfy any of these objectives. Yes, public schools in the United States are free – in the sense that no one is charged a fee to enroll in them. But the legal organization of school finance in the United States has made government-run schools grotesquely unequal. Even though state governments contribute to the financing of local schools, much of the money that supports them comes from local property taxes. And local tax revenue varies dramatically, a fact that generates the consumer desire to move to a city that has the ability to finance good schools. The structure of local finance thus links good schools with wealthy jurisdictions, thereby generating a lack of diversity in the student body of government-run schools across the nation. Moreover, although government schools have no admission requirement, none are needed. Zoning rules operate as the admission office for the schools located in wealthy jurisdictions, determining the kinds of people who live in the city and thus the kind of children who go to local schools. Nonresidents are not permitted to send their children to other cities' public schools. As a result, those who live in the poorest jurisdictions, lacking the resources to provide an adequate education for their children, have no choice but to struggle to do the best they can under the structure that state law has created.

The contrast between the current status of government-run schools in the United States and John Dewey's vision of the public school is, in a word, stark. But reform is possible and, in some places, is underway. Almost half of the state supreme courts in the United States have declared the financing system just described unconstitutional. In a number of these states, efforts have been made not just to reduce financial disparities but to diversify the school population. Some states have also sought to restrict the kind of exclusionary zoning that limits the diversity of the schools. No doubt, inequality, lack of diversity, and favoritism towards those with money remain serious problems. But a more public form of public schools is certainly possible. Much the same can be said about the organization of the police.

Many people in the United States move to a city because it has good schools. But people don't move to a city based on the ability of its police force to reduce crime. Sure, people want to live in a safe neighborhood. But they see the primary job of the police in safe neighborhoods not to be to catch criminals but to make sure that violence, when it happens, happens elsewhere. The predominant strategy individuals employ to deal with crime in the United States, in other words, is to isolate themselves from it. There are, as a result, two very different kinds of city-run police forces in the United States. In low-crime cities, the police largely operate as security guards. Their job is to ward off possible danger. In high-crime cities, by contrast, the job of police is to catch the bad guys and put them in jail. The danger in these high-crime areas is real – above all for the residents of these areas who are the most common victims of crime. The danger is real for the police as well. It is not surprising that the police in high-crime areas become suspicious of residents generally – identifying the bad guys is not easy. Residents, in turn, learn to hate police officers who treat them aggressively no matter what they do. The organization of police in the United States, in sum, is built on two us/them distinctions. The first is between 'us' in safe areas and 'them' in high-crime areas. The second is a problem only in high-crime areas: it is the distinction between the police and local residents. Both of these us/them distinctions need to be addressed in order to create a more public form of the police.

The first distinction tracks the public/private distinction discussed above for schools. Safe neighborhoods and good schools go together, as do unsafe neighborhoods and inadequate schools. The organization of cities in American metropolitan areas, discussed above, generates this linkage. Yet everyone has a stake in lessening crime wherever it takes place. Just as inadequate education for other peoples' children affects the nature of American society, the existence of high crime neighborhoods affects even those who have never entered them. Crime scares people, no matter where it is located. People who live in safe neighborhoods adopt a variety of strategies to reduce this fear – alarm systems, security guards, surveillance cameras, doormen, guns – but the fear remains. A public version of crime control would build on this fear to generate widespread support for a crime reduction strategy focused on high-crime neighborhoods. This kind of community building is different from the one that school reform envisions. The goal is not to spread crime more evenly across the region. The goal is crime reduction in high-crime neighborhoods. Achieving this goal requires support from outsiders. The fundamental inequality between high-crime and low-crime cities is one of the reasons that crime is located in some areas rather than others.

No progress can be made in high-crime neighborhoods without addressing the antagonism between the police and neighborhood residents. News stories about this antagonism – epitomized by the killing of unarmed African Americans by police in cities across the country – have received widespread media attention in the United States. The question is what can be done to reduce this police-resident conflict. Organizing a more public police force can be an important step. But the existence of a government-organized police force is not sufficient. It is not even enough if the membership of the police force reflects the diversity of the jurisdiction being policed (although it helps). At the moment, the police-resident conflict is a reflection of racial divisions in American society as a whole. These divisions – aggravated by violence that is always implicit and is sometimes deadly – affect daily police-resident interactions in high-crime neighborhoods. There is currently an effort to transform this police-resident relationship in the United States, an effort known as community policing. The goal of community policing is to help residents and the police understand that they face a common problem: crime reduction. The police need the cooperation of ordinary citizens to be effective, and the citizens need effective police work for their own safety. The recognition of this mutual benefit will not come easily. Police-community meetings need to be frequent and wide-ranging. To build trust, the police need to involve themselves in neighborhood problems that contribute to the high crime rate, not just limit themselves to catching criminals. Progress is bound to be slow, but, in a variety of forms, community policy strategies are being implemented in cities across the country. These cities have reduced their traditional reliance on get-tough models of policing, such as building a militarized police force that operates like an occupying army in an unfriendly setting. No matter how successful these redefinitions of the police-community relationship are, however, they alone will not be enough. As emphasized above, the support of outsiders, financial and otherwise, is indispensable for a public version of the police to emerge.

Economic development

The investor-dominated definition of economic development is usually justified as being in the overall interest of the city. The projects they support are seen as producing spillover effects, stimulating greater economic vitality not just in the immediate neighborhood but beyond. The cities that can attract this kind of investment are not likely to abandon this strategy any time soon. But alternatives are needed, and not just for those cities unable to generate investor interest. Even cities that are successful in the competition for outside money, critics contend, embrace projects that generate substantial gains for high-income individuals and low-paying service jobs but little for the city as a whole. A more public version of economic development would focus on this wider population. It would do so by changing both the way that development decisions are made and the prevailing definition of economic development. These two ingredients are not unrelated. Changing the decision makers can change the decisions made.

City governments never engage in economic development completely on their own. Government policymaking in a democracy always involves discussions and negotiations with non-government actors – individuals, interest groups, institutions of all kinds. In these public-private interactions, however, there is a fundamental issue: what is the role of the public – and the definition of the public – in this process? The prevailing model sees the government as one voice among many when economic development decisions are made. The most frequently used word to describe this structure is 'stakeholders'. Stakeholders, gathered around a table (there is always a table), make decisions about the best development policy to adopt. These decisions are generally based on consensus. If consensus is the goal, however, it becomes critical to determine who the stakeholders are. Anyone at the table can prevent the formation of a consensus. In the United States, one would expect the stakeholders to include government officials, investors, developers, and selected non-profit organizations. But not ordinary citizens. Not the voters who elect city officials. The government itself can be represented by a public authority rather than a democratically elected government. Admittedly, there is often another way for those not at the stakeholder meeting to voice concerns about the stakeholders' plan. This usually takes the form of public hearings and community meetings, where those who show up can have input. Sometimes a community benefit agreement is negotiated with people who live in the neighborhood where the proposed development would be located. These agreements provide local support for the project in exchange for neighborhood amenities.

The reduced role of ordinary citizens in this process is striking for a democratic society. Those not at the table can provide input, protest, sometimes even contract. Yet those who engage in these actions have their own legitimacy problems. Neighborhood activists, people who show up at public hearings, delegates from non-profits: why do they represent the public at large? The uncertainty of the answer to this question empowers the other stakeholders. They can discount the objections being raised, enabling them to determine the basic elements of the deal. Surely a better definition of the word 'public' in public-private partnerships is possible. Such a definition would ensure that the democratically elected government has final decision making power over all development issues. The other stakeholders' views would be taken into account – as would the voices of those at the hearings and meetings – but the decision would be made by the city. Ensuring that the democratically elected city officials adequately represent the public at large, however, requires another step. Attention must be paid to the details of the city's governance structure. To what extent do the decisions require the consent of the local legislature – the city council – rather than just an appointed planning agency? To what extent does the city councilor who represents the area where the project is located have veto power over the ultimate decision? (The project's effect on the city as a whole might make such a veto power inappropriate.) Answers to these kinds of questions vary across the United States. And the answers matter.

A more democratically-responsive decision making process for economic development might scare off some outside investors. But a reduction in the city's reliance on these investors would have benefits as well as a cost. A more public economic development strategy could emerge – a strategy that would focus less on large-scale projects and more on what some call 'economic inclusion' (Briggs, 2015). A focus on economic inclusion shifts the emphasis from competition for investor dollars to the quality of jobs available in the city, the kind of people being helped by city policy, and the reduction of the spatial mismatch between jobs and those who need them. This kind of strategy might take the form of helping existing small-scale business and stimulating start-ups. (More than 97% of the twenty-six million firms in the United States have fewer than 20 employees, and these firms generated 60-80% of the new jobs nationwide over the last decade.) It might encourage immigration in an effort to stimulate immigrant-created businesses. It might concentrate on the city's connection with the institutions that are most likely to remain in town over the long run (such as universities and hospitals). It might reorient land-use planning decisions to support small-scale manufacturing enterprises rather than service jobs. It might seek to protect small retailers by limiting the spread of big-box stores and national chains. It might shift city support for housing from building high-rise condominiums to the rehabilitation of existing residences. It might focus on city services, not just education but mass transit as well, in order to make available jobs accessible. Each of these ideas is being implemented somewhere in the United States. No doubt, these alternatives require city financial support, just as the currently dominant economic development strategy does. Moreover, the financing for them is not likely to come from tax increment financing which, by design, focuses on large-scale projects. Some money might come from redirecting tax breaks from large-scale development to these alternative ideas. Still, cutting taxes is not a source of city revenue. There has to be a rethinking of local finance for these purposes, just as there has to be a rethinking of local financing for the city services discussed in the previous section.

Designing the city population

The privatized version of a city population is often defended by an assertion that people should be able to choose the kind of city they want to live in and that exclusive communities are what people want. People prefer living with people like themselves, it is said. This way of framing the issue, however, is based on a fundamental misunderstanding. The privatized organization of cities does not allow everyone to choose the kind of city they want to live in. The privatized city is based on exclusion. Those excluded are prevented from living where they want. If exclusion were not authorized by legal rules, many of those excluded would move to places where they are now not allowed. Of course, those who live in those localities might well be disturbed by this change. But there is no way everyone can get what they want. Either we allow exclusion, thereby preventing the excluded from getting what they want. Or we prohibit exclusion, thereby preventing those who embrace it from getting what they want. It's no answer to this dilemma to say: "You can't make people live in diverse communities. People who don't like them will simply move to a homogeneous one." There can be no homogenous alternative unless legal rules allow cities to exclude. Moreover, splitting the difference -- allowing a mix of excluding and non-excluding cities to make up a metropolitan area – is also not an uncontroversial resolution of the issue. That's what we do now in the United States. The result is a separation and division of the population along the lines of income, race, and ethnicity. One could embrace this separation and division, but one would have to do so by defending it as a policy choice. The choice between exclusion and no exclusion cannot be resolved by saying that everyone should get what they want. The choice is political: what kind of society should we be creating?

The public city offers an answer to this question: diverse cities are the goal. This policy choice needs to be defended. The argument for it might begin by pointing out that the population of the United States is already diverse. The legal system can either enable citizens to learn how to live with this diversity or divide the population into different groups that become known to each other through rumor and the media rather than through personal interaction. Diverse cities are not like clubs or voluntary organizations, created to allow people to associate with others with whom they share something in common. Sure, that kind of experience is valuable – that's why so many voluntary organizations exist. A diverse city offers something different and equally valuable: it enables people to learn how to live with people with whom they have nothing in common other than that they find themselves in the same place. There is no need to romanticize this experience. Sometimes it is alienating. (Homogeneous cities are sometimes alienating too.) But sometimes it opens people to new experiences that can change their lives. Much of the time it is neither that bad nor that good. A diverse city simply allows people to realize that living with different categories of people is no big deal. The world today is riven by conflicts between categories of people: Muslim and Christian, Sunni and Shia, Pakistani and Indian, black and white, Israeli and Arab, Anglo and Latino, Democrat and Republican, citizen and immigrant, Buddhist and Muslim, Han Chinese and Tibetan, Hutu and Tutsi, gay and straight, Dinka and Nuer (South Sudan). These conflicts tear people, cities, and nations apart. People in all of these categories now live in the United States. A public city would seek to ensure that their conflicts are not allowed to tear American metropolitan areas apart. To put the same point in another way, a public city embraces a particular definition of democracy. City residents, no matter what their background or identity, no matter what they think, should participate as an equal in public policy decision making. No doubt, privatized suburban enclaves are a form of democracy too: after all, suburban voters elect local officials. But the experience of democracy they offer is not the same. "Local institutions," Tocqueville says in Democracy in America, "are to liberty what primary schools are to science; they teach people to use and enjoy it" (Tocqueville, 1969). Different forms of local democracy teach people different ways of life.

Organizing diverse cities is not easy. The problem is not simply that many people who have experienced only homogeneous communities are disposed not to like them. The presence of some kinds of people drive other kinds of people away, thereby undermining the diversity. Consider, for example, the case referred to earlier in this article involving students. Students can change the nature of a city, driving housing prices up for families, attracting different kinds of businesses, having parties in the middle of the night. A few students might be fine, but neighborhoods can also be overwhelmed by them. Yet excluding students just shifts the problem to neighboring cities. If exclusion is permitted, students will have no choice but to concentrate where they are allowed. At the same time, promoting diversity does not mean organizing the population so that all cities are statistically the same. City neighborhoods filled with people of a particular race or ethnicity or sexual orientation or other characteristic (such as being a student) are consistent with the idea of diversity. A commitment to diversity does not envision preventing people living with others like them. It simply forbids excluding those who don't fit in. This conception of diversity should be familiar; after all, ethnic neighborhoods in the United States have always included other kinds of people. Efforts are underway, in parts of the United States, to take down the legally-created barriers that now generate exclusion. Still, tolerance must overcome suspicion. The government of a diverse city should not simply wait and see what happens. It should see its task as community building. The question is how to do that.

One option is to focus on the other two topics covered earlier in this article: city services and economic development. Working with strangers on improving the public schools or on police-community relations enables different kinds of people to focus on a common problem rather than on their differences. Organizing a more open process for decisions about economic development can provide a similar experience. The different aspects of a public city – the organization of city services, the definition of economic development, and the design of the population – reinforce each other. A more robust conception of the purposes served by city services and an expansion of economic development options can help generate an increased acceptance of diversity. The opposite is also true: an increased acceptance of diversity can generate support for a more inclusive definition of city services and economic development. The same kind of reinforcing mechanism exists for the private city as well. A consumer version of city services and an investor-driven conception of economic development feed the creation of exclusive cities. And exclusive cities find it easy to embrace the you-get-with-you-pay-for model for city services and high-end development. The causation in both cases is circular: each ingredient has an effect on the others. Together, they offer alternative paths for a city's future.

At the moment, it seems that the private city has the momentum in the United States. My description of the private city concentrated on current laws and practices, while my description of the public city relied more on an ideal and on efforts now being made to make it a reality. But the contest is not over, and much is at stake in its resolution. There is no reason to expect a definitive choice between a public and a private city. The actual policy choices will be more specific and concrete, more tailored to local circumstances, more a matter of emphasis. Mixing the two conceptions is also possible. Nevertheless, the basic point remains. There is a genuine difference between the conceptions and structures that help determine the nature of city services, economic development, and the city's population. Decisions on these topics have profound effects both on how individuals lead their lives and on the society as a whole. Earlier in this article, I quoted the assertion, made by the founders of American public education system, that public schools are the public's agencies for creating and re-creating publics. We might expand that point. Cities are the public's agencies for creating and re-creating publics. We should pay attention to what we are creating.

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