



## City

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# Review

## Contracting the Urban World

Luciano Vettoretto

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*The urban contract: community, governance and capitalism, by Paolo Perulli, Oxford and New York, Routledge, 2017, 246 pp., £. 115 (hardback); £. 36.99 (paperback); £. 41.99 (eBook), ISBN 978-1-4724-4590-2*

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This book, written by an Italian sociologist, is profoundly original. The author proposes an interpretation of contemporary urbanization through the multifaceted concept of the contract as the most pervasive way of regulating social, economic and political relationships in the age of globalization and transformation of governance structures and with reference to the varieties of capitalism.

According to the author,

the sociological tradition has seen the contract as a result of processes of rationalization of social interactions, while in the past social relations were based on status. Whereas status was an attribute of asymmetric power linkages, contract is the basis of mutual recognition between partners'. (5)

Contracts are discussed starting from the basic distinction between social contract and private contract, both involving a kind of social relation based on exchange. Theoretical social contracts are those discussed in the early modernity, in a phase of formation of nation states (Hobbes, Locke, Rousseau), where the exchange is between obedience and sovereignty. Implicit social contracts, or quasi-contracts, are the concrete exchange between governments and citizens which exchange well-being and security for political consensus (in welfare states, for instance, in which contracts have been broken down and substituted in the neo-liberal era). Private contracts are classical instruments of mainly

economic exchange among individual or collective actors. Such private contracts are changing rapidly. In a time of growing uncertainty and interdependence, the classical issues of trust and reputation are becoming more and more important. The knowledge economy has introduced an important change in private contracts, in which processes of production of shared knowledge are becoming of paramount relevance. Such contracts, often called relational contracts, are focused not only on exchange, but on social and economic relations in the long run (an example will be mentioned below. For a comprehensive discussion see Macneil 1985, 2000). The author claims that (a mix of) such contracts have become (intentionally or not) the main instrument of production and regulation of social and economic relations in the globalized urban world like that described by planetary urbanization theorists. This phenomenon is linked to the fast decline of national-territorial states (as announced by Karl Schmitt in the *Nomos of the Earth*) and regulation by command and control, crisis of national contract laws in the globalization era, and so on. So, cities are at the same time the experimental field and the producers of many interconnected social and private contracts that constantly influence and are influenced by power distribution, social relations, practices, geographies and structures, and physical urban transformation.

The book is also quite complex. Sociology, economics, law, history, and philosophy are

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mobilized in order to build an extraordinarily rich account of the city-as-contract, drawing from perspectives including Wallerstein, Braudel, Bairoch, and Mumford. Key references, from both conceptual and methodological points of view, include classics such as Max Weber, Georg Simmel, Hannah Arendt, Karl Schmitt, along with many important contemporary scholars. It is quite impossible to describe accurately the full content of the book, where almost every page would require a deep discussion. For this reason, I have chosen to rapidly present the content and conclusions, in order to present a supportive critique of what the book does not take into account. My point is that this book is important not only for its content but also because it may open new research horizons in urban studies.

As noted above, one of the author's starting points is the relation between social contracts (as defined by classics such as Hobbes, Locke and Rousseau), or the concrete, implicit social contract – or quasi-contract – and private contracts. According to the author, there are significant social and economic issues at the intersection of social and private contracts. The author develops his argumentation through three methodological perspectives, applied to the selected case studies: historical patterns, normative-legal frames, and social frames in which contracts are produced. The author obviously recognizes the importance of non-contractual areas, but he does not develop this point deeply. As a matter of fact, from Tarde to Durkheim, we are aware that society can be intended as a network of contracts, which, in the modernity, replaces the 'mechanical solidarity' of communitarian societies. Even firms are currently intended as a 'nexus of contracts' that include social, political and economic contracts at any level (see, among others, Hansmann 1996). The growing search for social legitimacy and reputation by firms produces new kinds of implicit or explicit contracts among firms, local communities and local governments, which overlap traditional labour contracts, supply contracts

and so on. Nevertheless, it is quite obvious that the pervasiveness of contracts at any economic and social level impacts and redefines non-contractual areas based on regulation by solidarity and communitarian links (originally discussed by Marcel Mauss). For example, American scholars have noticed the growing impacts of neo-liberal market practices on non-profit associations, particularly in the Western world, which would produce an increasing similarity to the practices of ordinary economic actors. At the same time, both in global North and South, the non-contractual areas are rapidly growing, often in response to the 'contractual' big urban projects. This is the case of activities such as 'Women Together' in India and particularly in Mumbai, or the community networks in Jakarta's kampungs, and so on (for Jakarta case, see Simone 2014). In some ways, all such experiences can be defined as a kind of social contract without economic exchange, the other side of globalization urban contracts. Unfortunately, the often conflictual relations between big formal urban contracts (for instance, those for the new Indian or Chinese cities) and grass-roots non-contractual reactions are not discussed by the author in depth.

After a well-documented discussion of urban transformation in the globalization era, and the rise of differentiated urban types in different social, political and economic situations, in which the author explains the genesis of global city regions and their differences across the world (chapter 1), a large number of case studies are discussed, with reference to European (London, Paris, Milan: chapter 2), North American (Boston, New York and Los Angeles, chapter 3), and Asian urban contracts (Tokyo, Mumbai, Hong Kong, Shenzhen, chapter 4). The reason for this selection is clear: all these cities are in some way iconic of different ways of coping with globalization, in a variety of political regimes, capitalism and social-cultural structures. Every case is discussed through its genealogical development, social, economic, cultural and political

specificity, significant urban policy and projects, in order to find out the different characters of the urban contracts. The urban policies, interpreted as urban contracts, taken into account are very influential (2014 London Plan, the Grand Paris, the policies of Boston Redevelopment Authority, the 'special zones' in Tokyo or Mumbai, etc.). These urban policies are interpreted as contracts because normally they are the result of interactions and negotiations among a plurality of actors, and the policy assumes a contractual form. A lot of diversity characterizes such contracts, which depend on several contextual factors (political arrangements, local routines and habits, policy styles, and so on). Chapter 6 proposes a comparative analysis among case studies, and, along with chapter 7, identifies different types of urban contracts according to the policy-making structures, showing the socio-spatial and economic outcomes. Chapter 7 discusses some urban ideal types (contracting cities, virtual cities, mobile cities), with a Weberian style, in which, however, the link with urban contracts appears less apparent.

In conclusion, the profound transformation of space-time coupled with the growing complexity and uncertainty, make the classical contract theory obsolete. Global space requires a radical rethinking of the social and private contract beyond the national law domain. Instability of laws and economic uncertainty significantly reduce the time horizon of both business plans and urban policy, and seem to condemn everyone to the immediate. Political rationality seems to follow the same trends of economic rationality, incapable of proposing long-term strategies. How is the construction of a set of shared social norms possible? Actually, as the author says, there are many ongoing experiments, in the field of justice, human rights, environment and so on, but such experiences mostly have a regional character and are disparate across the global space. The author does not have a final answer. He invites us, however, to reflect on two possible and non-alternative answers: legal pluralism

open to the claims of civil society (Teubner) and the new communitarian contract, open, experimental, relational that, after the deconstruction of traditional nation-state contracts and norms, may be able to rebuild a new social contract (Nancy).

As previously stated, it is impossible, within the compass of this review, to give an accurate account of the complexity of this book. The reader can easily appreciate the advancement compared to a large body of literature, and even choose to read specific case studies. Indeed, this book is so extraordinarily rich in concepts and interpretations that it immediately stimulates a large amount of questions, which would require at least another book. Below some suggestions and also critiques are briefly set out.

Classical (and abstract) social contracts are basically a set of normative issues about the rules of associated life, in accomplished nation-states. They usually propose an exchange among fear (of violent death), safety (particularly in Locke of private property, assumed as an extension of life), obedience and sovereignty. This modern concept of social contract breaks with medieval thoughts and practices, at least up to the Calvinist Geneva circle, in which the social contract was concrete in character and more similar to a federalist covenant (the Mayflower covenant may be considered as a case in point). The exchange between security and obedience is still very important in contemporary societies, and explains particular self-restraining urban contracts: gated communities or luxury villages for wealthy retired people (where homeowners sign a formal covenant with developers) and the French *ville periurbaine* are important examples. In a more radical perspective, the rise of urban private governments searching for an escape from politics, as a cause of uncertainty and insecurity both from a social and economic point of view is ongoing. This is the case of the Charter cities plans in Honduras or the already designed urban floating island offshore

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French Polynesia, developed by the Seastanding Institute (partially funded by a co-founder of PayPal), but also of the special development areas in Asiatic or African new towns. Another case would be the contract by competition between large platforms and local governments. A significant example is the call for the location of the new town in USA including headquarters, residences, facilities and infrastructure delivered by Amazon in order to create a new headquarter (the so-called HQ2) outside the jurisdiction of the Seattle local government. In such a case, the global firm intends to build a real new company town, with an investment of five billion dollars. The contents of the call are of a contractual nature. Quite classically, the exchange is between increases of tax revenue and facilities from the public side, and the security regarding environmental and labour claims from the private one. Twenty cities have been selected out of 238 candidates, with Austin and Dallas at the top. These sorts of urban contracts deserved more attention in Perulli's text.

In order to study the urban contracts in North American cities, the racial issue should not be underestimated. In the long run, in the USA, cities have produced an impressive number of urban (racial) formal and, in some periods, legal restraining covenants aimed at the spatial exclusion of, particularly, Chinese and Black populations, and also at biological control. Affirmation of biological and moral superiority of the very American white identity with social control of inferior racial stocks is a true social contract among the affluent white population. Until the 1948 Supreme Court ruling, about 50% of new neighborhoods were built through restrictive covenants. Only in Seattle were 416 restraining covenants enacted (see among others Thomas and Ritzdorf 1997; Gotham 2000). Without taking into account, this particular genealogy of the urban contract (where the most influential parties are politicians at every level, homeowners and neighbourhood associations, real estate organizations), it will be

impossible to fully understand the character of the new urban contracts and/in the contemporary post-metropolis, with its reversal between city and suburbs (post-suburban settlements, gated communities, edge cities, the transformation of the ghetto into a hyper-ghetto, urban shrinking phenomena, and so on).

The breaking of a social urban contract is an issue also not fully developed in the book. It has happened frequently in contemporary feral cities (Mogadishu, Beirut, Jerusalem, Belfast, etc.), but also in cities in deep crisis. Bottom-up experiments of revitalization in inner city Detroit by community leaders, inhabitants, social workers and non-profit organizations define something that is an in-between, different from both contractual and non-contractual ideal types. A sort of quasi-contract, with a substantial influence of non-contractual elements (trust, necessity, identity redefinition, political engagement and so on). The case of Kigali (Rwanda) is also quite significant as an attempt to restore a new social urban contract between individuals previously involved in a fierce civil war, through the revival of the ancient deliberative practices of dispute resolution and reconciliation. All such experiences define the other side of the globalization urban contracts/covenants, through deliberative and situated practices.

A further issue that might be discussed is the impact of selected cities in terms of policy transfer and as examples to follow. This is another dimension of globalization and of planetary urbanization, which concerns the diffusion of specific models across the world. Western global cities are the benchmark by which one measures the globalization and internationalization of other cities. Singapore, Hong Kong and Shanghai are the benchmarks of a number of strategic plans in Asian or African megacities. Such cities could be considered contemporary myths of foundation. As is well-known, every city has one or more myths of foundation. These myths can be intended as a frame of meanings that produces a shared

identity, belonging, and a plastic collective memory, and impacts on social contracts. Singapore and the other cities are myths and promises of well-being and power that produce legitimacy by consent and by expectation of widespread wealth as the foundation of implicit social contracts. Such myths are at the same time powerful incentives for mobility towards, in particular, megacities and, conversely, of exit from critical territories. Understanding the relations between myths, narratives, social representations and mobility are still in an embryonic stage. It is possible to hypothesize a relationship between myths, narratives and social contracts, both in the ancient and contemporary urban world (Derrida 1985), and its influence on mobility patterns.

The social contract appears ever less abstract and more and more concrete. This aspect has been particularly studied in the European context (see, among others, Cumyn 2006). At the same time, the legal contract, a typical instrument of individual economic exchange, is becoming an instrument of networking. Numerous studies about local government have recognized the growing area of contractual relationships between public and private actors, particularly in urban regeneration policies. The widespread participation processes (in different ways around the world) materialize the social contract at urban, regional or even national levels. This kind of contract is no longer concerned with the transfer of freedom rights from a (national) community to a sovereign, but rather to the achievement of some degree of consensus within a situation of radical plurality of meanings and interests through mediation, negotiation or the interactive invention of new perspectives. At the same time, the typical private contract produces (intentionally or unintentionally) networks, policy communities, or issue networks within the civil society, through specific rules and decision-making models. This is the case of long-term contracts, with a high level of uncertainty, interdependence, plurality of agents, risks of moral hazard,

and with high-transaction costs. This is the case of relational contracts, the aim of which is not only the economic exchange, but rather the relation itself and the knowledge sharing. This kind of contract is underestimated in urban studies. As a matter of fact, relational contracts are widespread in the construction industry and, above all, in big urban projects whose implementation can last decades (Amsterdam Zuidoost is a case in point. See van der Veen and Korthals Altes 2012). In such cases, the non-contractual, social dimension of trust is of paramount relevance, and produces, interactively and over time, social norms and links.

In a time of networks and fluxes, the capacity of some kind of cosmopolitan social contract can be observed through worldwide immigration (which is a global phenomenon) policies. The author discusses globalization and contracts at great depth, and mainly from a theoretical point of view, but he does not take into account this significant empirical issue as the very testing ground for an inclusive and globalized deliberative democracy. In conclusion, this book is original, innovative and deeply insightful. At the same time, it is a very complex work, both from the theoretical and empirical point of view. Its richness pushes toward new explorations, which can be followed up by new research projects.

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