

Population Growth and Cities

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Abstract

The growth of urban populations throughout the world has led to calls for government regulation to prevent urban sprawl and create land-use patterns that are less auto-dependent. Such regulations are costly: by significantly increasing the cost of housing, they turn urban areas into enclaves for a wealthy elite. At the same time, the regulations have little effect on transportation patterns. Despite having more compact cities, Europeans drive for 79 percent of their travel, compared with 84 percent in the United States. Rather than increasing regulation, urban leaders should focus on reducing it in order to create opportunities for people of all incomes to build wealth.

Sometime in 2008, says the United Nations, the number of people living in urban areas outnumbered those living in rural areas for the first time in history.¹ As recently as 1950, less than 30 percent of the world's people lived in urban areas. By 2050, the U.N. predicts, it will be 70 percent.²

In much of the developed world, the economic prospects of urbanites tend to be much greater than those of ruralites. So increasing urbanization could be considered good news. But not everyone sees it that way. According to the WorldWatch Institute, "Unplanned and chaotic urbanization is taking a huge toll on human health and the quality of the environment, contributing to social, ecological, and economic instability in many countries" (Knickerbocker, January 12, 2007).

For more than 60 years, various national, state, and local governments have used the supposed dire consequences of "unplanned and chaotic" urban development to justify government plans that trample on private property rights and limit the housing and transportation choices of urban residents. Rather than improve human

health and the quality of the environment, these plans all too often represent little more than an elitist view of how people should live – or, worse, how *other* people should live.

This paper will review urban planning and land-use regulation in the United States and several other countries to show that the benefits of such regulation are far outweighed by the costs. These costs include unaffordable housing, increased congestion, and the pollution that is associated with that congestion.

Stages of urban development

The world's cities can best be understood as growing in four stages: preindustrial, pedestrian, streetcar and automobile. In the preindustrial stage – which, in the developed world, is roughly before 1820 – cities were centers of trade, government, or religion. At least some preindustrial cities had medium to low population densities: Angkor, Cambodia, was apparently no denser than a modern American suburb (Pringle, October 24, 2005). Markets and residential uses tended to be mixed throughout the city.

Only a small minority of preindustrial peoples lived in cities. Agriculture was very labor intensive, so it took the work of several farmers to feed one urban resident. In addition, cities were not very attractive places to live. Due to crowded conditions, poor sanitation, and primitive medicine, long-term death rates in most such cities were higher than birth rates; only through immigration from rural areas were cities able to maintain their populations. Virtually no remnants of preindustrial cities can be found in the developed world, though versions of them are common in the undeveloped world.

The industrial era saw increased mechanization of agriculture and other rural occupations, eventually allowing one farmer to feed several urban residents. This generated a surplus of rural labor, and those ruralites migrated to the cities to find factory and other work.

Meanwhile, great concentrations of factory and office jobs led to major changes in urban form. Until about 1890, all but the wealthiest urbanites were limited to foot travel, so cities grew very dense to allow factory and office workers to live within walking distance of their jobs. Such cities tended to be heavily polluted and living conditions, particularly for working class families, were poor. Since upper floors were only accessed by stairs, most buildings were no more than four- to five-stories tall, yet some tenements crowded more than 100,000 people into a square mile of land. Remnants of such pedestrian cities can be found in Brooklyn, Philadelphia, San Francisco, and a few other older American cities, as well as in inner Paris and many other European cities.

Steam-powered commuter trains in the 1840s, horsecars in the 1850s, and cable cars in the 1870s allowed progressively more people to escape these dense cities. But it was not until perfection of the electric-powered streetcar in the late 1880s that large numbers of people could live far enough away from urban employment centers that they could live in single-family homes rather than apartments.

Within two short decades, streetcars could be found throughout the industrial world. More than 700 American cities had streetcar lines in 1910, many of which were built by real estate developers seeking to give homebuyers access to their neighborhoods. In this way, the streetcar gave rise to the *streetcar suburb*: gridded streets of single-family homes, typically on 5,000-square-foot (464-square-meter) lots (Jackson 1985, pp. 118–120). Small grocery stores and other shops often located on the streetcar lines, while the homes would cluster on nearby streets up to a quarter mile away from the streetcars.

Most streetcar suburbs were eventually annexed by the cities and now form the bulk of residential areas in many American central cities. Population densities in streetcar suburbs were much lower than pedestrian-era tenements, but at about 5,000 people per square mile or more they were much higher than modern suburbs. About 40 to 45 percent of American families owned their own homes in the streetcar era, suggesting that homeownership was accessible to the middle class but not the working class (U.S. Census Bureau. 2003).

Eventually, most industrial cities had networks of streetcar lines about a half-mile apart radiating away from downtown concentrations of offices, stores, and factories. Thanks to the development of the electric elevator, which also dates to the 1880s, the downtowns became noted for their high-rise towers. Factories were often vertical assembly plants, with initial work being

done on the top floors, major assembly on the middle floors, and finish work on the bottom floors.

For many people, the *monocentric* streetcar city, characterized by downtown high rises surrounded by moderately dense neighborhoods of single-family homes, remains the indelible image of what a city should be. Yet the market-driven industrial world built such cities for, at most, about 40 years – 1880 to 1920 – before new technologies rendered this urban form obsolete.

Those new technologies were the automobile and, just as important, the moving assembly line, which was first used by Henry Ford to build Model Ts in 1913. This assembly line so speeded production that Ford doubled worker pay even as he cut the price of his autos in half, thus making cars affordable to the workers who built them.

Because moving assembly lines were horizontal, not vertical, they required lots of land. So, as other industries adopted assembly line techniques, factories moved away from downtowns to suburban areas where land was less expensive. Urban areas thus became *polycentric*, with several to many different job centers.

Job decentralization gave factory workers an even greater incentive to own automobiles. Those autos, in turn, gave working-class families access to affordable single-family homes of their own. Freed from the constraints of the streetcar grid, new suburbs often had larger lots, meandering streets and cul de sacs, and a stricter separation of housing and other uses.

Suburban backlash

In the early 1900s, urban planners and intellectuals hoped that suburbs would improve the lives and lifestyles of working class families, some of which had been crowded in two-families-per-room tenements. But when in the 1920s the working class, whose values differed from the elites in many ways, actually arrived in the suburbs, the intellectuals recoiled.

“Architects entranced with the flat-roofed, cement apartment houses of 1930s Berlin reeled from steadfast urban love of single-family, pitched-roof houses,” Harvard historian John Stilgoe observed, while “city planners championing great boulevards and public parks learned of gardeners anxious to shape their own private spaces” (Stilgoe 1988, p. 4). As a result, “urban writers, especially in New York, turn[ed] on the suburbs as the home of narrow-mindedness” (Joad 1937, pp. 72–73). This attitude continues to this day as New Yorker James Howard Kunstler relentlessly attacks the suburbs as “a

trashy and preposterous human habitat with no future” (1993, p. 105).

Similarly, planning historian Peter Hall has shown that, in Britain, the suburbs generated “a terror of what Anthony King has called the democratization of the countryside: the lower-middle-class and working-class invasion of an area that had hitherto been the preserve of an aristocratic and upper-middle-class elite” (Hall 2002, p. 84). By the 1930s, British suburbs were “universally derided and condemned,” says Hall. “The fact was that the prosecutors were all upper-middle class and the offenders were mostly lower-middle class in a typical such suburb” (*ibid.*, p. 79).

In 1947, critics of the suburbs persuaded the British parliament to pass the Town and Country Planning Act, which established huge greenbelts around cities and built giant blocks of apartments in which to confine the working class. Most western European countries developed similar post-war policies.

The Ideal Communist City, a 1965 book written by planners from the University of Moscow, encapsulated many of the arguments against the suburbs, which it described as “a chaotic and depressing agglomeration of buildings covering enormous stretches of land.” The cost of providing urban services to low-density housing was too high; people living in such housing would drive too much, which could cause congestion (Gutnov *et al.* 1971, pp. 69–70).

The book’s authors proposed to build high-rise, mixed-use developments, allowing people to walk to shops and take transit to work, which (they asserted) would cost less than driving. The planners “scientifically” determined that a family of four needed only 600 square feet of living space, partly because they would share public spaces with other families. Such developments would average about 70,000 people per square mile, slightly denser than Manhattan. People living in thousands of identical apartments would share collective values, something that would not be found in “autonomous” single-family homes (Gutnov, *et al.* 1971, pp. 66, 74, 79–80).

Under soviet domination, eastern European nations built hundreds of such communities. In East Germany alone, just one of several high-density building designs, known as the *Wohnungsbausystem* (“house building system”) or WBS 70, was used to build more than 650,000 virtually identical apartments between 1971 and 1989. This design offered a generous (by *Ideal Communist City* standards) 700 square feet of living area, including a living room, kitchen, windowless bath, and two bedrooms (Hannemann 2004, figure 6).

The United States, Canada, Australia, and New Zealand were slow to follow Europe’s example. When Nikita Khrushchev came to the United States in 1959, President Eisenhower routed his helicopter ride from the airport to show off the middle-class homes and cars on the highways in the suburbs of Washington, DC. Instead of being impressed, says historian Stephen Ambrose, Khrushchev claimed to be shocked by all the waste. In the Soviet Union, Khrushchev told Eisenhower, people lived close together and seldom traveled far, so they did not need cars. And Soviet multi-family housing, he asserted, cost less to build, less to heat, and less to maintain than American single-family homes (Ambrose 1984, pp. 542–543).

Some Americans professed to be shocked by the suburbs as well. John Keats’ 1956 book, *The Crack in the Picture Window*, called the suburbs “conceived in error, nurtured by greed, corroding everything they touch (p. 7)”. *Little Boxes*, a popular song in the 1960s, labeled the suburbs “ticky-tacky” – though the term “little boxes” would seem to apply much better to the identical apartments being built for families in Europe.

The Evolution of “Smart Growth”

In 1961, Hawaii became the first U.S. state to pass a law regulating land use with the aim of preventing the spread of the suburbs. Up to this point, U.S. land-use law had aimed at preserving property values by preventing unwanted intrusions, such as apartments or shops in single-family neighborhoods, that would reduce adjacent values. In contrast, Hawaii’s law *downzoned* much of the land in the state by placing it in a zone that prevented subdivisions and other developments. Thus, the role of zoning began changing from preserving property values to reducing them in order to achieve some greater social purpose.

Since 1961, nine other states have passed similar laws, and another half dozen states passed laws originally intended for other purposes but which morphed into growth-management laws.³ Roughly half the population of the United States lives under some form of European-style growth management.

In 1966, a regional government for the greater Vancouver, British Columbia, metropolitan area issued a plan that put most rural land in the region off limits to development (British Columbia Lower Mainland Regional Planning Board 1966). A few other cities in Canada – notably Toronto and Victoria – followed suit, as did most cities or state governments in Australia and New Zealand.

Land-use policies that focus on limiting development of rural lands while increasing the densities of urban areas

received a rhetorical boost in 1996 when Maryland Governor Parris Glendening coined the term *smart growth* to describe such policies. The primary advantage of this term was that anyone who was skeptical of stripping away rural people's property rights and forcing urbanites to live in denser neighborhoods could be accused of favoring "dumb growth" (Frece 2004–05).

Smart-growth advocates often point to cities of the streetcar era as models for how modern cities should be built. "Urban planning reached a level of competence in the 1920s that was absolutely mind-boggling," says Andres Duany, a founder of the New Urbanist movement (quoted in Kunstler 1993, p. 255). In fact, the private developers who built the streetcar suburbs were no more competent than developers today; they just based their designs on the transportation technology that then existed, while today's developers base their designs on the technology that exists today.

James Kunstler actually wants to go back before the streetcar era. "Imagine it's 1881," says Kunstler. "You leave the office on Wabash in the heart of vibrant Chicago, hop on a train in a handsome, dignified station full of well-behaved people, and in thirty minutes you're whisked away to a magnificent house surrounded by deep, cool porches, nestled in a lovely, tranquil, rural setting with not a single trace of industrial hubbub." Kunstler calls this "a glorious way to live" (1998).

The problem is that only a tiny fraction of American city dwellers lived this way in 1881. The rest of them lived in high-density housing, better known as tenements or slums. With sweatshop jobs, poor sanitation, and high crime, their lives were far from glorious.

Kunstler probably imagines that everyone could live in his traditional neighborhoods today. Yet, without the mobility provided by the automobile – the same mobility that led the children and grandchildren of the people living in nineteenth-century slums to increase their incomes and escape the tenements – this is unrealistic.

Developing nations are now undergoing many of the same changes that developed nations went through in the late nineteenth and early twentieth centuries: agricultural productivity is increasing, leading to surplus rural workers, many of whom are moving to the urban areas where they can find factory and office jobs.

Many of these urban areas are very dense: While the densest urban area in America (Los Angeles) has about 6,000 people per square mile, and the densest in Europe (London) has about 13,000, India has 17 urban areas with more than 50,000 people per square mile, while China has 8 with more than 40,000 per square mile (Cox 2008a, p 76).

Mechanized transport is making urban residents increasingly mobile, and urban areas are becoming polycentric. Starting in 2009 an Indian manufacturer, Tata, expects to sell a 50-mile-per-gallon car to residents of developing nations for just \$2,000 – about the price, after adjusting for inflation, of the least-expensive Model T Fords (O'Connor, January 11, 2008). This mobility is likely to lead to significant reduction in the population density of many developing urban areas as people buy their own homes and marginal farmlands are converted to urban uses.

Flawed assumptions

Some people worry that the addition of hundreds of millions of internal-combustion-powered motor vehicles to the planet will create serious environmental problems, and they argue that developing nations should adopt smart-growth policies so as to avoid wasting land and becoming overly dependent on automobiles. There are several reasons to question the wisdom of this advice.

First, smart-growth advocates underestimate the benefits of personal mobility and homeownership. It is likely that the mass-produced automobile has done more to improve the lives and lifestyles of the average person in developed nations than any other invention.

Since the automobile was invented, American inflation-adjusted incomes per worker have increased by more than seven times. A large share of this increase is due to the mobility provided by the automobile, which gives people access to more jobs and gives employers access to more highly skilled workers. Automobiles also provide many other advantages, including access to low-cost consumer goods and greater social and recreation opportunities. Moreover, by freeing up land dedicated to draft animals, autos and tractors made more U.S. land available for crop production than has been converted to urban uses (O'Toole 2006).

Another benefit of the auto is that it has given far more people access to affordable homeownership. Thanks largely to automobility, U.S. homeownership rates increased by nearly 50 percent after World War II (U.S. Census Bureau 2003). In turn, homeownership also provides numerous benefits. Homeowners take better care of their homes than renters, so people who live in neighborhoods with high homeownership rates tend to have a better quality of life. After adjusting for income and the education of the parents, children in families that own their own homes do better in school than children in families that rent (Haurin 2003). Most

small businesses in the U.S. get at least part of their start-up funding from loans on the equity in the business-owners' homes (de Soto 2000, p. 60).

Second, smart-growth advocates overestimate the beneficial effects of their policy proposals. Smart growth is based on a presumed linkage between land use and transportation. While it is true that new transportation technology, such as streetcars or autos, can have a large influence on land use, the reverse is not so true: changing land uses does not necessarily change transportation choices. In other words, land-use regulation that forces more people to live in higher densities or mixed-use developments will have little effect on the amount of driving they do (Giuliano 1995, p. 8). This can be seen in the many high-density developments built in former soviet nations. For example, Halle-Neustadt, in eastern Germany, was a town of nearly 100,000 people built along "ideal communist city" principles. In 1998, planners from the University of Stockholm praised Halle-Neustadt as one of "the most sustainable" (i.e., least "auto-dependent") cities in the developed world because it was built around mass transit and was designed to discourage auto driving (Book and Eskilsson 1998, pp. 109–110). In fact, as soon as Germany was reunified, most people in Halle-Neustadt bought cars and turned the greenspaces between the apartment buildings into parking lots (*ibid*, p. 111).

Third, smart-growth advocates underestimate (or totally ignore) the effectiveness of technical solutions to energy consumption, pollution, greenhouse gas emissions, and other environmental issues. The installation of catalytic converters and other pollution control devices on automobiles has reduced toxic air emissions from new cars by 90 to 99 percent. This technique has been far more successful, and far less costly, at reducing pollution than all of the efforts to try to get people to drive less (Schwartz 2003, p. 9).

Similarly, technical solutions are likely to be far more effective in reducing energy consumption and greenhouse gas emissions than land-use regulation and construction of rail transit lines. McKinsey and Company estimates that, by 2030, the U.S. can reduce total greenhouse gas emissions by 30 percent if it invests in technologies that cost no more than \$50 per ton of emission abatements. The consulting firm points out that many strategies, such as building cars from lighter-weight materials, would actually save consumers money in the long run (Creys *et al.* 2007, pp. ix, xiii). By comparison, imposing changes in urban form, if they save any greenhouse gases at all, are likely to cost thousands of dollars per ton.

Finally, smart-growth advocates ignore or underestimate the costs of their policy proposals. A key part of smart growth is some form of urban-growth boundary aimed at limiting the spread of low-density housing. This effectively creates an artificial land and housing shortage that drives up the cost of housing and land for offices and other businesses.

The costs of smart growth

The effects of smart growth can easily be seen in the U.S., where some states have practiced growth-management planning since the 1960s, others have adopted it more recently, and others still defer largely to private property owners to determine the best land use. In 1969, the median home in urban areas throughout the U.S. cost about twice the median family income. The only major exception was Hawaii, which had passed a growth-management law in 1961 and where housing was three times family incomes.

Today, housing in California and Hawaii is eight times family incomes, while it remains only twice family incomes in states such as Texas that have no growth management. Housing in states that have more recently adopted growth-management laws, such as Florida and Arizona, is four to five times family incomes (O'Toole 2007).

"Government regulation is responsible for high housing costs where they exist," say Harvard economist Edward Glaeser and Wharton economist Joseph Gyourko. In particular, they add, "difficult zoning seems to be ubiquitous in high-cost areas" (2002, p. 3). Other researchers have found that rapid growth in housing prices is strongly "correlated with restrictive growth management policies and limitations on land availability" (Jud and Winkler 2002). Moreover, adds Glaeser, regulation makes prices more volatile, increasing the number of homeowners who face foreclosure because they bought when prices were high and must sell when prices fall (2006, p. 1).

Smart growth thus inevitably reduces homeownership rates and increases the costs of doing business in regions that have adopted it. One result, says Glaeser, is that regions that adopt smart growth tend "to become less diverse and instead evolve into a boutique city catering only to a small, highly educated elite" (2006, p. 2).

Compare, for example, the San Francisco Bay Area with Houston. The eight counties in the San Francisco Bay Area have strictly regulated land use, putting 20 percent of their land in regional parks and greenbelts

and placing 63 percent of the remaining (mostly private) land off limits to development through the use of urban-growth boundaries. The city of Houston has minimal government regulation of land, and the counties surrounding it have virtually none.

Both regions have about the same population, but the 2000 census found that the San Francisco-Oakland urban area is more than twice as dense, with more than 6,100 people per square mile compared with 2,950 in Houston. One of the costs of that density is higher housing prices: the median Bay Area home is more than 10 times median family incomes, while in Houston it is only twice family incomes.

Thanks in part to the higher densities, more Bay Area residents use transit than those in Houston. About 95 percent of Houston commuters drive to work, while only 3 percent take transit. By comparison, 15 percent of San Francisco commuters take transit to work, while 80 percent drive. Density alone isn't the reason, however: at 5,900 people per square mile, the San Jose urban area is almost as dense as San Francisco, yet 93 percent of commuters drive to work and only 4 percent take transit (U.S. Census Bureau 2008). Moreover, given San Francisco's greater density, the Bay Area has 68 percent more cars on the road per square mile of land than Houston. That means San Francisco has more congestion and more delays per commuter than Houston (Schrank and Lomax 2007, p. 32).

Due to the high cost of housing and other costs of doing business, the Bay Area is growing by only about 0.2 percent per year. Houston, in contrast, is growing by more than 2.5 percent per year.⁴ Lower- and middle-income families are departing the San Francisco Bay Area, leaving behind a region that one demographer calls a "Disneyland for yuppies" (Temple, June 22, 2008). Houston, meanwhile, easily absorbed 90,000 permanent new residents who evacuated from New Orleans after Hurricane Katrina and found Houston to have more affordable housing and greater economic opportunities (Goodwyn August 27, 2007).

Smart-growth advocates claim that the costs of sprawl force urban areas to subsidize low-density housing. *The Costs of Sprawl 2000*, a report by urban researchers at Rutgers University, estimated that low-density housing imposed \$11,000 greater costs on municipalities than high-density housing (Burchel *et al.* 2002, p. 13). In response, many cities in San Francisco Bay Area have passed *adequate-public-facilities ordinances*, which allow cities to reject plans for new developments until the city has the funds to service it. These ordinances have contributed to the artificial shortage and high cost of housing.

In contrast, developers in the Houston area simply pay most or all of the costs of development themselves and pass the costs onto homebuyers. Typically, developers will acquire 5,000 to 10,000 acres of land and subdivide it into home sites, parks, and areas for shops, offices, and schools. They then create a *municipal utility district* that borrows money to build water, sewer, roads, and other utilities. Homeowners and other landowners are assessed an annual amount to repay the costs of the district.

Several counties in the Houston area have county tollroad authorities that build highways connecting these developments to tollroads in the city of Houston. The resulting user-pays system produces more affordable housing and less congested highways that can be found anywhere in the San Francisco Bay Area or other regions in coastal California.

San Francisco and Houston are not isolated examples. Land-use regulation has made housing unaffordable throughout the United Kingdom and much of Australia and New Zealand. Thanks to smart-growth policies, Vancouver and Victoria are the least affordable housing markets in Canada (Cox 2008b, table ES-2). Despite decades of smart-growth-like land-use regulation in Europe, European travel habits are not significantly different from those in the U.S.: where Americans drive for 84 percent of travel, Europeans drive for 79 percent (Eurostat 2003, p. 89; BTS 2008, tables 1-37). Even supposing that it were desirable to reduce auto driving, smart growth has minimal effects on driving at a very high cost to homebuyers, businesses, and others.

Creative class vs. opportunity cities

One branch of smart growth is represented by policy analyst Richard Florida, who argues that, to build wealth, cities should try to attract a "creative class" of people. In his view, this class, including artists, designers, computer programmers, scientists, and engineers, are attracted to dense cities with vibrant, pedestrian-friendly streets (2002). They are, in fact, the elite who make up much of the remaining San Francisco population.

Urban analyst Joel Kotkin challenges this "elite strategy." "A handful of urban regions," he admits, "could conceivably succeed with such a strategy... . But it is difficult to see how such areas could accommodate an American population that is expected to rise from 300 million today to at least 400 million in 2050" (Kotkin 2008, p. 7). Instead, Kotkin sees Houston as the model for the future. "One of the primary historic roles of cities

has been to nurture and grow a middle class – to be an engine of upward social mobility,” says Kotkin (p. 5).

In essence, Florida has a zero-sum view of urban economies. He assumes there are only so many creative people in the world, and cities need to compete with one another to attract them. By contrast, Kotkin has a positive-sum view: “Cities don’t lure the middle class,” he says. “They create it” (p. 17). Kotkin calls Houston and other cities that embrace this view, *opportunity cities*. Such cities not only have less land-use regulation to assure more affordable housing, they have less economic regulation to minimize the barriers facing small and growing businesses.

Kotkin’s opportunity cities should be far more useful to developing economies than Florida’s creative class. A major problem urban areas in developing economies may have to deal with is how to accommodate the influx of people from smaller towns and rural areas who are attracted to a thriving economy. A region with minimal land-use and business regulation will create far more economic opportunities for these new residents than one that is focused on trying to attract the cream of the creative elite.

In the long run, the worldwide trend of urban areas containing an increasing share of the population may reverse itself, a process that has already begun in the United States. The mobility provided by the automobile and commercial airliner combined with telephone and Internet communications are reducing the need for many people to locate in urban areas. Some of these telecommuters may decide to stay in urban areas anyway, but others are choosing to become *exurbanites* – people with urban occupations living in rural areas.

Smart-growth advocates have an answer to exurbanization: ban it. Oregon land-use regulators, for example, have imposed a rule forbidding anyone in the rural part of the state from building a house on their own land unless they own at least 80 acres, actually farm it, and actually earn \$40,000 to \$80,000 per year (depending on land productivity) farming it. This rule was needed, said the planners to prevent “lawyers, doctors, and others not really farming [from] building homes in farm zones” (LCDC 1999, p. 2). This attitude is absurd, particularly in a state that is 98 percent rural and where less than 25 percent of agricultural lands are actually used to grow crops (NRCS 2002, tables 1 and 2).

Despite such rules, demographers estimate that exurbanites are the fastest-growing segment of the U.S. population (Nelson and Dueker 1990, p. 93). Even manufacturing facilities are moving to the countryside in states where both factories and their employees can avoid high

taxes, regulation, and congestion (Nelson, Drummond and Sawicki 1995). Developing nations are far from this point, however. Until they reach it, they should do their best to build opportunity cities, ones that rely on user fees to pay for public facilities and minimal regulation to create opportunities for economic growth and wealth production.

Notes

1. See *United Nations Expert Group Meeting on Population Distribution, Urbanization, Internal Migration and Development* 2008, p. iii.
2. *World Urbanization Prospects: The 2007 Revision Population Database*, United Nations, available at esa.un.org/unup.
3. For a complete list of states and how state growth-management laws work, see O’Toole, Randal. 2007. *The Planning Tax: The Case Against Regional Growth-Management Planning*. Washington, DC: Cato Institute, pp. 5–6.
4. Based on Census Bureau population estimates for the counties in each respective metropolitan area.

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