

CCI Research Agenda
February 2022

I Theme One **I**

New Cities



CHARTER CITIES
— INSTITUTE —



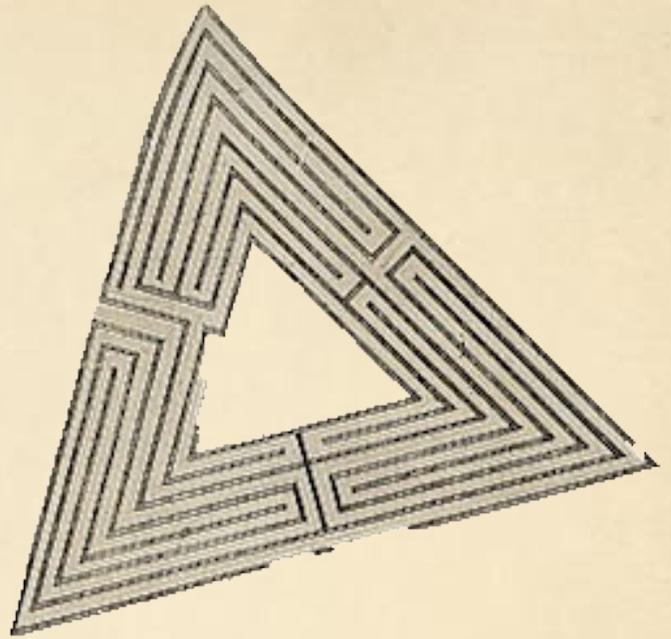
The Future of Development

Empowering new cities with better governance to lift tens of millions of people out of poverty.

The Charter Cities Institute is a non-profit organization dedicated to building the ecosystem for charter cities by:

- Creating legal, regulatory, and planning frameworks;
- Advising and convening key stakeholders including governments, new city developers, and multilateral institutions;
- Influencing the global agenda through research, engagement, and partnerships.





The New Cities Movement

We are amidst a global wave of city-making. Starting in Asia and the Middle East at the turn of the century, and now spreading to Africa and Latin America, governments and private developers are engaging in massive efforts to reshape the urban landscapes of emerging economies. At its most ambitious, these projects entail the planning and construction of entirely new cities from

scratch. Beyond this unifying ambition, the “new cities movement” is highly heterogeneous and uncoordinated. It includes projects that range from modest exurban “new towns” and satellite cities to greenfield metropolises hoping to become the next global city. Their motivations are similarly diverse and pan-ideological, with cities being justified as tools of economic

development, political stability, environmental sustainability, and technological progress.

The phenomenon is not new. Building new cities from scratch has been a familiar project throughout human history, and it includes cities like Baghdad (762), Kyoto (794), and Washington, DC (1800) (Jo, 2018). Individual countries have also undergone their own waves of accelerated urban development, such as the New Towns Movement of Singapore and the UK from the 1940s to 1970s. What is more novel is when these projects take on a global nature. Three waves stand out. The first was the effort by Alexander the Great to establish new cities during his military expansion across Europe, Africa, and Asia. Second, like Alexander, colonial European powers saw a strategic advantage to establishing new urban centers across their empires. This gave rise to numerous colonial cities from the 16th to early 19th centuries that still stand today (Home, 2013; Moser, 2015). Third, newly-independent postcolonial states in the Global South felt a need to establish new cities as a way to modernize and address development problems (Moser, 2015; Datta, 2015). By many observations, a similar global, albeit uncoordinated, effort to build new cities is ongoing today (Moser & Cote-Roy, 2020; Shepard, 2017).

Attempts to rigorously catalogue the current wave have been difficult and inconsistent. Sarah Moser counted up to 150 ongoing developments in over 40 countries, with 70 of those projects taking place in Africa (Moser & Cote-Laurence, 2020;

Moser et al, 2021). However, Rachel Keeton and Michelle Provoost (2019) identified 109 new city projects in Africa since 2000, and Angie Jo and Siqi Zheng (2020) found at least 200 new developments in China alone. Jo and Zheng also note that these cities are often referenced using a variety of conflicting terminology, such as "satellite city," "new town," and "new urban area." This makes it difficult to distinguish between modest real estate projects and full cities.

The ambiguity lies in the conceptual challenges of defining "new cities." Urban developments are on a spectrum, and dividing these environments into meaningful categories requires theoretical considerations and subjective judgements. How do we differentiate between city districts and independent satellite cities? The answer is not as simple as assessing governance responsibilities, since these often overlap. For example, Metro Manila is nominally 16 contiguous "cities" unified by an overarching administrative government. Likewise, what constitutes a "newly built" city as opposed to one organically grown? More conceptually, what are "cities?" While we may see them as distinct political-legal jurisdictions, cities are also often conceptualized as sociological communities with fuzzy boundaries (Post, 2018).

These methodological difficulties and the phenomenon's novelty have limited the literature to ad hoc conceptual "agenda setting" (i.e., identifying open research questions to be explored in future research) (Watson, 2013, van Noorloos & Koost-

erboer, 2017; Moser & Cote-Roy, 2020; Moser et al., 2021; Goldman, 2011; Jo, 2018) and to qualitative case studies of specific projects (Moser, 2019; Moser et al., 2015; Cain, 2014; Datta, 2015; Ondrusek-Roy, 2020; Mahmoud & El-Sayed, 2011). However, there are few rigorous quantitative, political, or economic studies of these projects and their consequences, and the phenomenon has been largely ignored by social scientists.

Despite these ambiguities, scholars have loosely identified several common characteristics among new city projects. These cities are primarily being built in the Global South, especially in Africa, Asia, and the Middle East. Although most scholars time the city-making surge to the start of the 21st century, many have noted an acceleration following the 2008 Global Financial Crisis. They speculate that this may reflect a search for new profit opportunities after the weakening of real estate markets in the West (Watson, 2013). As a consequence, these projects are largely market-driven and financed by public-private partnerships with real estate developers (van Noorloos & Kloosterboer, 2017; Moser, 2015). They also resemble corporate entities more than public municipalities. For instance, many projects maintain carefully-branded images as “tech cities” or “eco cities” that may only exist on paper.

In an attempt to unify the current wave into a useful conceptual framework suitable for research, Jo and Zheng (2020) offer a working definition of “new cities” based on their common characteristics:

1. *Master-planned*: they are coordinated, managed, and financed by a small group of primary actors.

2. *Rapid*: they are perceived as single projects built within a few years or decades. In many cases, they have population and job creation milestones. This contrasts with traditional cities that develop in a piecemeal and uncoordinated manner over an undefined period of time.

3. *Greenfield*: the project site has little or no prior development (i.e., greenfield sites).

4. *Distinct governance*: while new cities may be contiguous to an existing urban center, they are still designed to have geographical, fiscal, administrative, and/or conceptual independence. This distinguishes them from urban developments that are simply expansions of existing cities.

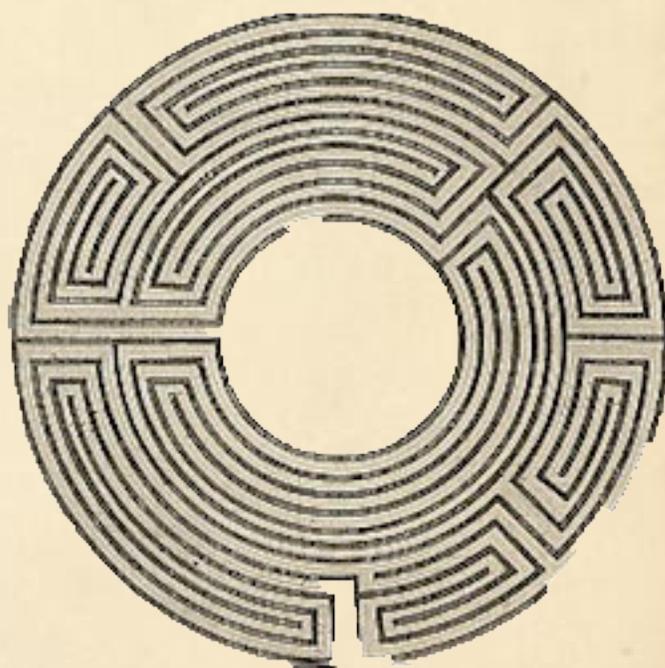
5. *Pre-determined mixed-use*: they are designed as both environments for consumption and production, including residential, commercial, and industrial capacities. In this sense, new cities aim to be fully functioning “cities,” as opposed to narrowly-defined “bedroom towns,” “industrial parks,” or “shopping districts.”

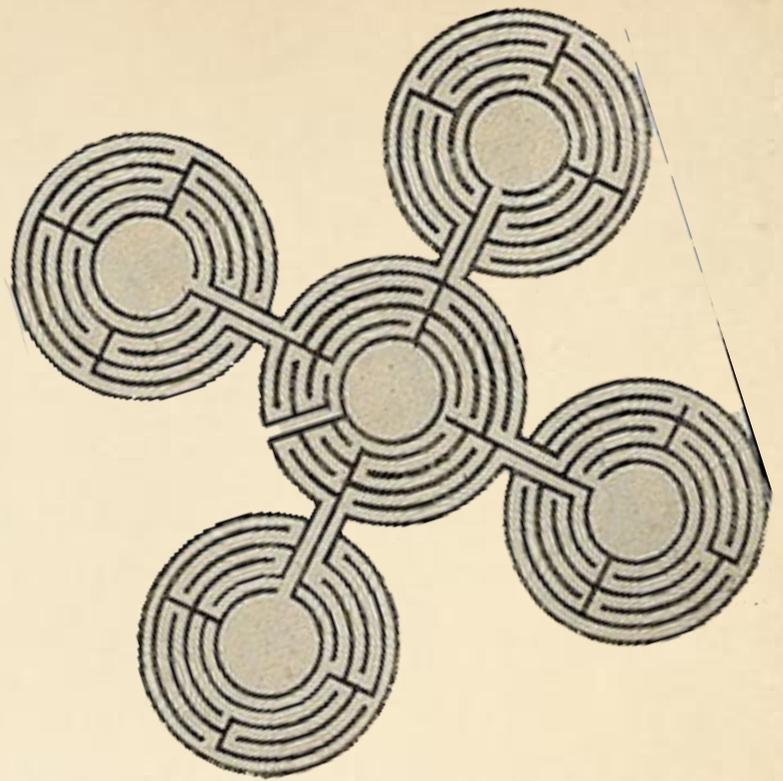
6. *Envisioned as a city*: most importantly, these cities are conceived of as a “city” by their planners from the start. This differentiates them from other development projects that may have been initially seen as single-use spaces, but later evolved into mixed-use.

Many new cities are also managed by state-led public-public partnerships (Moser et al., 2021; Cain, 2014). Countries like China, Singapore, and South Korea are partnering with governments in developing countries to “export” models of urban development that worked in their own countries. In many cases, these projects are facilitated by subsidized state-run enterprises rather than through direct government assistance.

The largest driver of these public-led new developments is China’s Belt and Road Initiative (BRI). The BRI is an ongoing \$575 billion infrastructure development initiative, through which the Chinese government hopes to improve its connection to and cooperation with countries across Eurasia and Africa (World Bank, 2019). While not exclusively focused on building new cities, the BRI has involved itself in some

of these projects (Shepard, 2016; Peters, 2015). Still, even if not directly building new cities, these substantial infrastructure projects constructed in a concentrated period of time will likely have consequences for the formation of new urban developments and cities. For instance, we may expect parallels of 19th century American “railway towns” to develop along new BRI-financed railway networks in Central Asia and Africa.





Do We Need More Cities?

For the most part, new city projects have been examined by geographers and urban scholars from a largely critical lens. These criticisms fall into two categories. First, scholars argue that new cities are often wasteful manifestations of “speculative urbanism” and “urban fantasies” (i.e., vanity projects that do not fulfill a true public need for urban development) (Goldman, 2011; Watson, 2013). Developers and governments tend to frame these projects as reactions to changing national trends, particularly a rising

middle class and accelerating rural-to-urban migration in the Global South. However, urban scholars doubt that this underlying demographic narrative is accurate. That is, they are skeptical that the developing world truly has a growing middle class or substantial rural-to-urban migration (Pieterse, 2019). As such, they argue, building new cities will wastefully divert important resources away from existing communities and risk creating uninhabited ghost cities (e.g., Shepard, 2015).

Second, and more substantively, urban scholars fear that new cities will reinforce and exacerbate political oppression. Broadly, these cities are part of a larger national narrative for economic development, in which governments in the Global South hope to replicate the rapid success of cities like Singapore, Shenzhen, and Dubai (Goldman, 2011). The logic proposes that building new cities in impoverished regions can help attract investment, spur business formation, and energize local economic growth. However, Bhan (2014) contends that in addition to the built environment, governments also hope to replicate the semi-authoritarian policymaking of Singapore and Dubai as a method for rapid industrialization. It is argued that this pursuit for “fast development” (Datta, 2015) will ignore important voices in society by bypassing the more cumbersome but participatory processes inherent in democratic deliberation (Milton, 2018).

On the international scale, critics have also pointed out that massive foreign investments into urban and infrastructure projects in the Global South may lead to adverse consequences for recipient countries. Already, there are concerns that BRI-financed projects may burden recipient countries with excessive debt to China (Hurley et al., 2018).

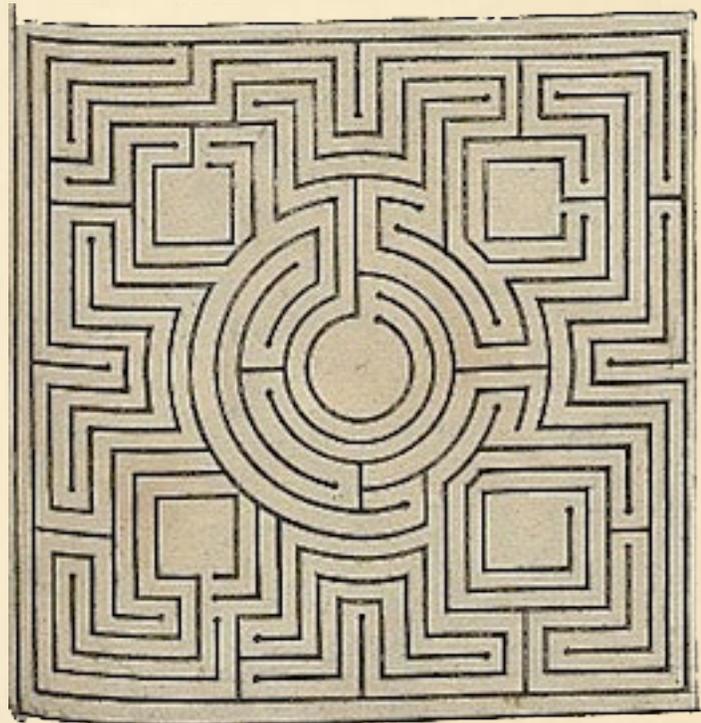
Sarah Moser (2020) further criticizes new cities as environments of social exclusion. She relates them to the problematic colonial practices of city-making in the 19th and 20th centuries, calling the ongoing wave “new wine in old

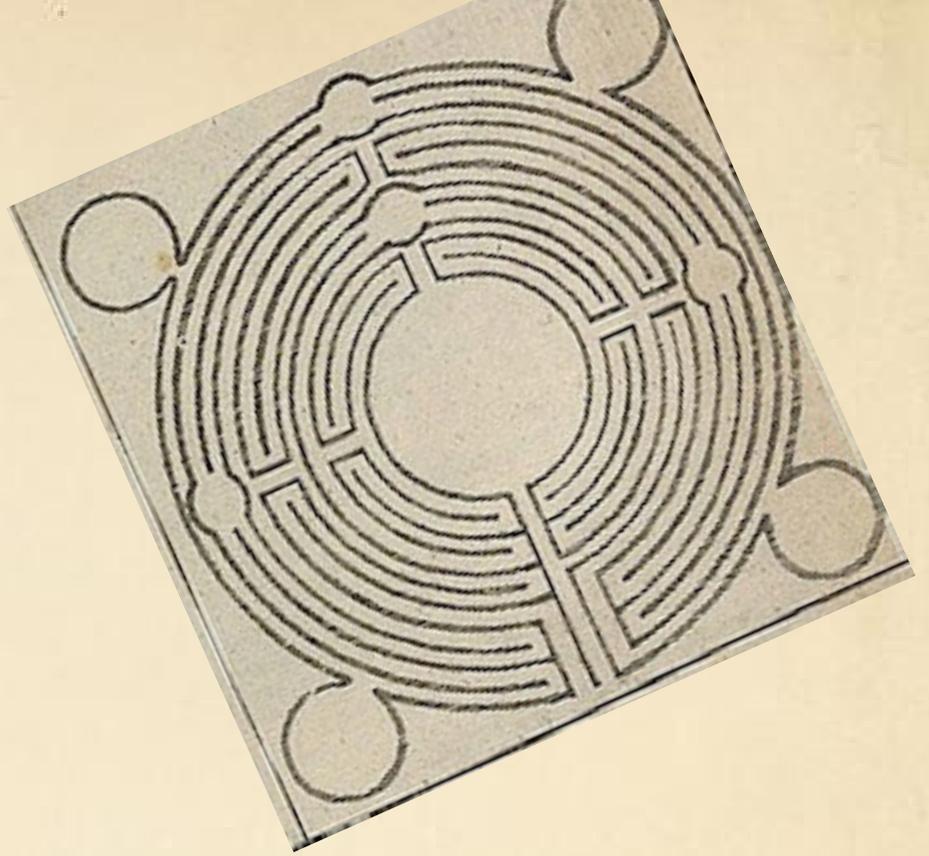
bottles” (Moser, 2015). Indeed, many of the characteristics common among new cities—greenfield sites, utopian narratives of economic development, and top-down policymaking—were prevalent in the colonial cities of the past. They also exhibit some of the same consequences. For instance, colonial cities incorporated exclusionary design principles meant to segregate indigenous populations from colonial residents. Likewise, Moser (2020) notes that new cities can resemble gated communities that cater to an elite economic class rather than public spaces accessible to all citizens.

Angie Jo (2018) challenges the critical perceptions prevalent in the literature. Focusing on Chinese new cities, she argues these new cities can resolve industrial market failures and generate positive social externalities. Her model outlines how new city making can be seen as a type of industrial policy, enabling the agglomeration of firms into new cities to create new industrial clusters of economic activity. Due to classic coordination problems, these clusters arguably would have not formed (at least as rapidly as they did) without the state’s industrial policy playing an important coordinating role.

While top-down industrialization has traditionally been led by the state, Jo (2018) suggests that private actors have a role to play in regions with weak state capacity. Leveraging urban development as a vehicle for national development requires expertise and foresight, in which effective industrial policy must credibly coordinate numerous actors, assume long-term financial risks, and “pick

winners” given asymmetric information. To achieve this, regions with weak state capacity will need to partner with resourceful private actors with the prerequisite technical expertise. However, states will also need to strategically structure partnerships to disincentivize private actors from pursuing short-term financial gains at the expense of broader economic growth (Engel et al., 2014). For example, Jo’s research cites Gu’an New Industry City in China as an illustrative case of effective urban development via public-private partnerships in the face of weak public sector capacity.





Further Research

The new cities movement presents an important opportunity for the charter cities agenda. Charter cities are focused on establishing well-run cities that can become national engines for economic growth. Unfortunately, achieving effective reforms have been difficult in existing Global South cities. A better alternative is to use new cities as “black slate” environments where charter cities can be developed.

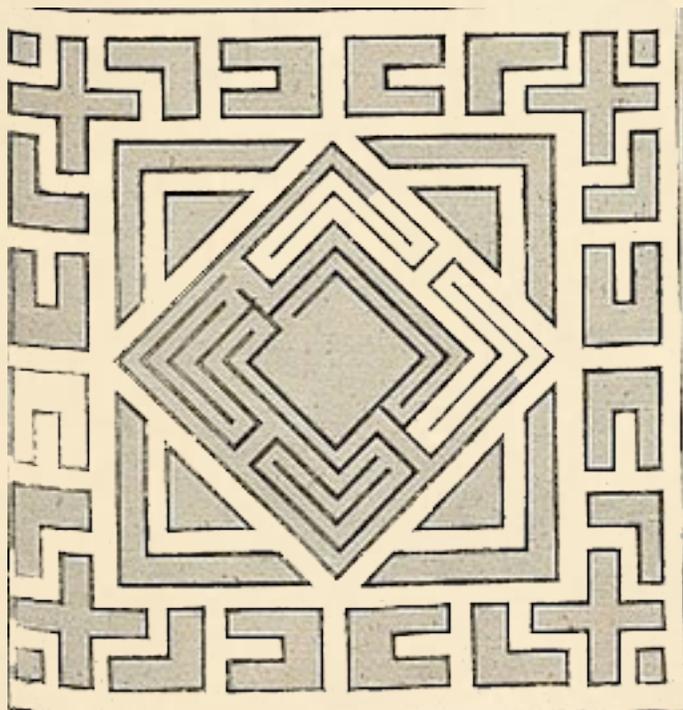
The new cities movement also creates a policy problem that charter cities can address. As critics have argued, these new cities are more likely to inherit the harmful political norms of their host than they are to foster better ones. They are also likely to replicate the poor and inefficient urban forms of other cities in the developing world. However, if turned into charter cities, these new cities can create more effective institutions largely insulated from the politics

of the host country. This could lead to better urban governance and economic vibrancy.

However, if the charter cities agenda hopes to leverage the new cities movement, we need to more rigorously understand how new cities relate to their broader national context and the role they can play in poverty alleviation. Thus far, new cities have been approached through a critical lens. However, as highlighted by Jo and Zheng (2020), the dismal predictions for new cities are not inevitable. The charter cities agenda should respond by (1) reexamining the trend through an economic development and political economy lens and (2) using data-driven empirical methods to validate or reject the intuitions of the existing literature. Put another way, rather than sitting back critically, further research can help identify ways to leverage this new movement for broader institutional reform and social wellbeing.

Examples of Research Questions:

- Does granting new cities more devolved political powers lead to better economic outcomes?
- To what extent are new cities driven by private developers vs foreign governments (e.g., BRI)?
- Are new cities better able to accommodate low-income migrants than existing cities?
- How should the governments of new cities interact with those of higher-level political units to best encourage economic growth?
- How can we build new cities for low-income residents instead of just the middle-class or economic elites?
- How do informal economies emerge in new, master-planned cities?
- Are authoritarian governments better able to execute new city projects?
- What policies can prevent the elite capture of new city projects?
- Do new cities allow municipal authorities to circumvent the political barriers to reform often present at the national level?



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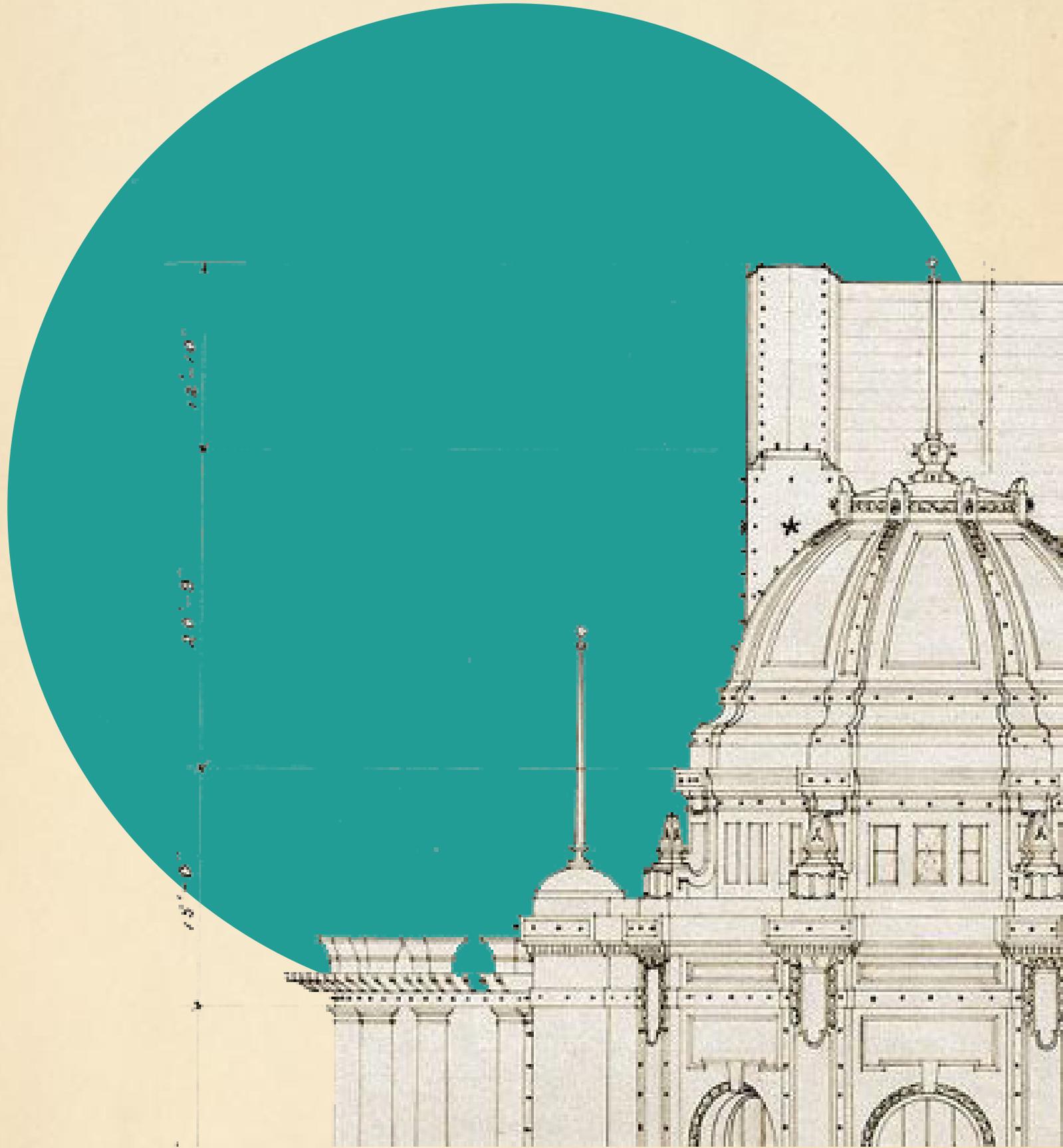
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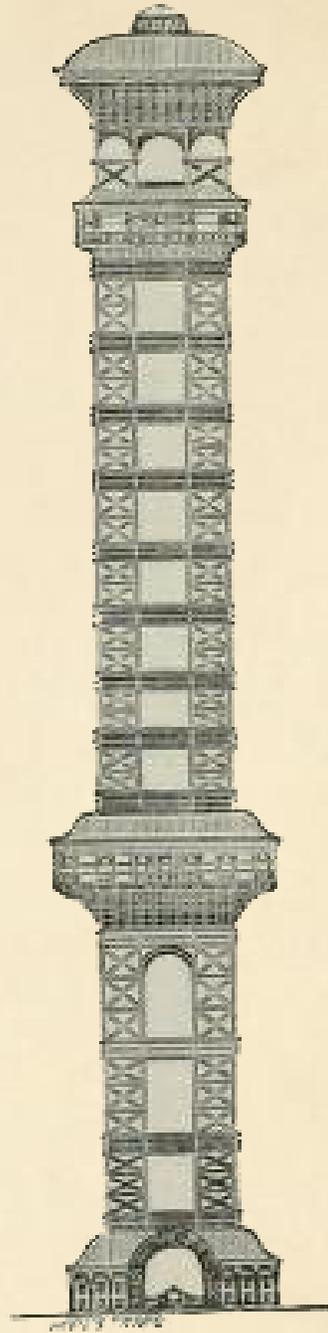
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