

"Thought-provoking . . . lively . . . [Jacobs concludes] that we are on the brink of a new economic science, one that more closely resembles the natural world." —*Los Angeles Times*

THE NATURE OF ECONOMIES

JANE JACOBS

Bestselling author of

THE DEATH AND LIFE OF GREAT AMERICAN CITIES

Foreword

Theories and other abstractions are powerful tools only in the limited sense that the Greek mythological giant Antaeus was powerful. When Antaeus was not in intimate contact with earth, his strength rapidly ebbed. The aim of the talkative characters in this book is to bring rarefied economic abstractions into contact with earthy realities, meaning universal natural processes of development, growth, and stability that govern economic life.

The theme running throughout this exposition—indeed, the basic premise on which the book is constructed—is that human beings exist wholly within nature as part of natural order in every respect. To accept this unity seems to be difficult for those ecologists who assume—as many do, in understandable anger and despair—that the human species is an interloper in the natural order of things. Neither is this unity easily accepted by economists, industrialists, politicians, and others who assume—as many do, taking understandable pride in human achievements—that reason, knowledge, and deter-

mination make it possible for human beings to circumvent and outdo the natural order. Readers unwilling or unable to breach a barrier that they imagine separates humankind and its works from the rest of nature will be unable to hear what this book is saying.

In describing natural processes and selecting examples to illustrate them, I have hewed to information from the fields of biology, evolutionary theory, ecology, geology, meteorology, and other natural sciences as the information is currently understood and interpreted by practitioners in these sciences. When, on infrequent occasions, my characters introduce their own interpretations of natural science, they make it clear that these are their own speculations. On economics they are much more opinionated in their insistence that it come down to earth, but again they state outrightly when they are being iconoclastic, and why.

I have used imaginary characters and didactic dialogue primarily because this venerable literary form is suited to expounding inquiry and developing argument, but also because the form implicitly invites a reader to join the characters and enter the argument too. A book is equipped to speak for itself, more so than any other artifact. But to be heard, a book needs a collaborator: a reader with a sufficiently open mind to take in what the book is saying and dispute or agree, but in any case think about it. Insofar as that process is enjoyably interesting as well as possibly useful—as I hope it may be—so much the better.

JANE JACOBS
Toronto, July 1999

Contents

<i>Foreword</i>	ix
<i>Chapter 1</i> DAMN, ANOTHER ECOLOGIST	3
<i>Chapter 2</i> THE NATURE OF DEVELOPMENT	15
<i>Chapter 3</i> THE NATURE OF EXPANSION	39
<i>Chapter 4</i> THE NATURE OF SELF-REFUELING	65
<i>Chapter 5</i> EVADING COLLAPSE	84
<i>Chapter 6</i> THE DOUBLE NATURE OF FITNESS FOR SURVIVAL	119
<i>Chapter 7</i> UNPREDICTABILITY	133
<i>Chapter 8</i> ARMBRUSTER'S PROMISE	148
<i>Epilogue</i>	151
<i>Notes</i>	152
<i>Acknowledgments</i>	179
<i>Index</i>	181