

developers to create private governments in new subdivisions, and the trend towards increasing state regulation of residential private governments.

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INTRODUCTION

Global and local perspectives on the rise of private neighbourhoods

Georg Glasze, Chris Webster and Klaus Frantz

There is hardly another form of urban development that has received so much public attention since the late 1990s as privately organised, and often secured, housing developments. In the media, in urban social science, as well as in politics and urban planning, there is a lively and controversial debate on the spread of private forms of urban governance. The vigour of the discussion is not surprising given that the enclosure of urban neighbourhoods brings into sharp relief fundamental social questions about private versus public organisation of civic goods and services, the right to a secure environment versus the right to access, communal versus individual consumption, inclusion versus exclusion, heterogeneity versus homogeneity and efficiency versus equity. The debates that have emerged around these issues show that discussions on urban questions are in the end discussions about the society we would like to live in.

The spread of privately governed and secured neighbourhoods (often called *gated communities*) in many countries of the world has frequently been represented as the privatisation of public space and has been associated with a growing local security problem and the importation of commodified neighbourhood values and technology from the USA. However, the empirical bases for these assumptions have for a long time been rather superficial. One aim of this book is to gather together factual information from countries across the globe to present a sketch of the global phenomenon of private neighbourhoods. The picture that emerges is not as simple as may be implied by many commentators. Consider the following, for example:

Private neighbourhoods are a consequence of growing criminality

Growing criminality is often described as the major or single cause of the spread of secured housing estates. Several authors have challenged this interpretation as they suggest that there is not a clear connection between the level of criminality (which is very hard to measure objectively) and feelings of insecurity (for the US and Germany see for example Reuband 1992). Several

contributions to this book show that focusing on insecurity as an explanatory factor risks obscuring other factors relating to the demand and supply of urban governance. Security is only one service that residents want and in both conventional and private neighbourhoods it is generally packaged up with other services. Locational choice is made on the basis of subjective evaluation of bundles of civic goods.

Private neighbourhoods involve the privatisation of public space

The value of 'public space' and its endangerment through 'privatisation' is a frequently cited topos within the critique of contemporary urbanism. The reason may be that the concept of 'public space' is a very powerful normative idea (Habermas 1990: 20; Caldeira 1996: 315). However, 'public space' and 'privatisation' are extremely vague analytical categories (Glasze 2001: 161f). It often remains unclear what exactly is privatised; how privatisation is carried out; and what, specifically, is wrong with privatisation. The writings on the privatisation of public space dichotomise the public realm and the private realm and often focus uni-dimensionally on material changes in space. This risks obscuring a more profound and differentiated analysis of the complex socio-economic and socio-political changes associated with private neighbourhoods (Soja 2000: 320). Most so-called public goods in cities (subject to shared consumption) are consumed by 'small publics' and are not truly available to all (Webster 2002: 397f; Webster and Lai 2003: chapters 5–7). Furthermore, the way in which private-public issues are interpreted also depends on whether urban space is literally enclosed by a private neighbourhood (as with road closures). Many master-planned private settlements simply involve the subdivision of a piece of land formerly under single private ownership into many titles under shared ownership. What precisely does this mean for the publicness of the city? From one point of view, the latter process may increase rather than decrease the degree of 'publicness'. A piece of land under single private ownership may become co-owned by many residents.

Private neighbourhoods are a US-American invention

The chapters in this book demonstrate that privately managed, secured and enclosed housing developments are to be found in many regions of the world and that this tendency cannot in all cases be accurately described as a diffusion of the American model. Secured housing developments are not intrinsically an American phenomenon. Neither, more generally, is a territorially fragmented path of urban development distinctly American – an assumption frequently made in French and German discussions that emphasise the integrated nature of European cities. In the rapidly expanding European metropolises of the nineteenth century such as Paris and Berlin, private investors initiated housing

schemes that were, in their conceptual design, very similar to many current forms of private neighbourhood (Glasze 2003). London became an inspiration in this, with enclosed and partially guarded residential areas appearing in the early nineteenth century (Atkins 1993). European suburban garden cities were in many senses prototypes for North American gated communities and also for private neighbourhoods in other parts of the world. Digging deeper into local urban morphological history as some of our chapters do, a wide range of regionally specific precursors to contemporary private neighbourhoods is revealed.

Developers of private neighbourhoods are offering a new way of cooperating in cities. Governance is very local; services and facilities are priced by assessments; services are in principle provided in quantities and quality better matched to residents' preferences. For many citizens in many places this is a novel idea. Many are willing to pay the private price. It looks like a major city-changing institutional innovation. The fact that private neighbourhoods have taken off in some places and not in others, however, and the different forms they take and different historical local antecedents they follow indicate the complexity of the phenomenon. The condominium laws governing private governance in Taiwan may look like the French laws that found their way across the Atlantic to the USA in the mid-twentieth century but they reflect particular legal and cultural values and practices in Taiwan (Chen and Webster 2005). And the progression from one set of institutions (local government acts, for example) to another (homeowner governance laws) is a very local affair, explained and shaped by particular path-dependent stories.

What may be said in this respect about the reasons for the rise of gated and other private urban spaces in a country can also be said about their impact on wider urban society. It seems too simplistic to say that they herald the fragmentation of consensual society as we know it and create irreversible territorial social polarisation. The historical examples of enclosed communities documented in a number of papers in this volume did not apparently deal a death blow to urban society. The mutuality of urban living and the functional ties that bind were too powerful to allow that to happen. However, the pessimists on this issue may be right. The costs to society of the increased alienation alleged by some of our contributors to be an inescapable outcome of territorial enclosure may yet prove to be too high. Contractual governments may grind to a halt under the weight of excessive litigation costs – as documented vividly in Evan McKenzie's chapter. Our point is that these processes will play themselves out differently in different social, cultural, economic and institutional contexts. It is the local processes that seem to us to be of greatest interest. Some are undoubtedly influenced by wider global processes. It would be foolish to try and argue, for example, that the high-end condominium sector in world and regional cities does not owe its birth, and to some extent growth, to an internationally mobile global elite labour force.

What we have set out to explore in bringing this collection of chapters together is that private neighbourhoods are emerging in the cities of the world under different sets of influences in different forms and with different effects.

The local manner in which government institutions adapt to and interface with the new institutions of private urban governance will be very important in affecting the balance of effects. Even this is an unpredictable process and therefore worthy of research. Each country has its own story to tell, therefore, and we invite readers to look closely at the evidence presented by each author and to tease out the significant features of each account.

Private Cities brings together 15 contributions from 21 scholars who research private neighbourhoods in different regions of the world. The authors work together in a research network established by the three editors at the First International Workshop on Gated Housing Estates as a Global Phenomenon – held in Hamburg in 1999. Plans for the book were made at a follow-up conference – the International Conference on Private Urban Governance – held in June 2002 at the University of Mainz (Germany).¹ The book is the fruit of a carefully constructed interdisciplinary discussion based upon empirical evidence and frank and open competition between theoretical ideas. The selection of chapters is intended both to record and to extend this debate. Chapters present case studies from around the world and authors use these to explore local and global explanations from a variety of theoretical positions and values. Certain common themes emerge in the authors' discussions and we hope these will challenge readers to look for the commonalities and specificities in each case. We pick up the themes in our Conclusion and offer our own reflections.

A first group of themes relates to the proposition that private neighbourhoods are a manifestation of processes bound up in the globalisation of culture and economy. These include the globalisation of culture and consumer tastes; a global-scale real-estate industry; a general move towards devolution and privatisation of governance functions; globalisation of labour markets, particularly the rise of a wealthy transnational elite; and an increase in social, ethnic, income and life-style heterogeneity within cities – with an attendant rise in fear of 'others'.

A second group of themes relates to the proposition that private neighbourhoods emerge and adapt locally. Themes include the idea that private neighbourhoods are residential clubs, that they emerge to fill a gap left by conventional government, that as a model of sub-local governance they offer advantages over political government in the resolution of conflict, that there are historical and culturally embedded antecedents to modern private-neighbourhood governance, that local manifestations of private communities are shaped by local culture and tastes, that the state institutions that emerge to govern private-neighbourhood markets are also culturally embedded and path-dependent – leading to locally diverse spatial and social outcomes.

The first part of the book contains five chapters that provide new and challenging insights and evaluations on the development of private neighbourhoods in the USA.

Evan McKenzie, lawyer and political scientist, analyses the spreading of common-interest developments (CID) in the USA since the 1970s as a massive privatization of local government functions. He argues that the rise of

common-interest housing can be seen as an important part of a larger institutional transformation of urban governance driven by the ideology of privatism – the belief that corporate management is superior to liberal democratic governance. In his view, the gains in terms of economic efficiency that may result from this form of social and governmental organisation must be considered in the light of the apparent costs in the form of increased social, spatial and institutional separation and segregation, and diminished protection for liberal democratic norms of governance.

Economist Fred Foldvary develops quite a different perspective on private neighbourhoods – founded on a belief in the forces of liberal economic organisation. In this perspective private residential governance is distinguished from public-sector or sovereign government in being based on explicit voluntary contracts among persons of equal legal standing. Foldvary sees the growth of private neighbourhoods as an empirical proof of the economic feasibility of private residential governance – the economic basis of private neighbourhoods is the financing of the territorial civic goods (green spaces, security, parking lots and so on) from the rentals generated by these goods. The externalities from public goods that impact a particular territory become capitalised in higher site rentals and site values. For Foldvary, problems such as the growing separation of social groups and high-cost outcomes of restrictive covenants for inhabitants are not immanent to a system of private residential governance but caused by the distorting effects of government regulation and taxation.

For a long time the discussion of private and secured neighbourhoods lacked empirical evidence – even for the often-described case of the USA. The last three chapters in the first part of the book are based on empirical field studies. Setha Low presents the findings of an ethnographic study of residents living in seven urban and suburban gated communities – comparing urban and suburban neighbourhoods in New York City, Texas and Mexico City. Her interviews illustrate three arguments for the rise of private residential governance: social order and moral minimalism in New York City, economic efficiency and tax advantages in Texas and lack of adequate security provided by the state in Mexico City.

The chapter by Klaus Frantz summarises the results of a comprehensive geographical field study on the growth and distribution of gated communities in an American city. Frantz mapped all 641 gated communities in the Phoenix agglomeration and recorded the population of these neighbourhoods. He estimates the population behind gates at 320,000 – 11.7 per cent of the total population of Metro Phoenix. Based on this study, he describes physical and functional characteristics of gated residential developments and comments on where they are to be found, who lives there and why.

Renaud Le Goix discusses the consequences of fading boundaries between public and private management in California when a 'gated community' engages in municipal incorporation. He argues that the sprawl of gated communities is not to be understood as secession from the public authority, but as a public-private partnership: a local game where the 'gated community'

provides certain benefits to the public authority, while the property owners' association is granted autonomous local governance. The spillover effects of this structuring of urban space increase segregation, especially when gated communities incorporate, as the municipal institution is instrumental in pre-dating public funds and property for the privilege of a gated enclave.

The second part of the book brings together eight contributions which document the rise of the private neighbourhood in regions where there is already an established debate on this phenomenon (several metropolitan regions in Latin America and South Africa) as well as in regions where the phenomenon has hardly been recorded (Lebanon, China, Russia, Spain and Portugal, New Zealand and England).

Axel Borsdorf and Michael Janoschka present an overview of the sprawl of private guarded neighbourhoods in Latin American city regions since the 1980s. Starting from a historical analysis of urban forms, the current patterns and consequences associated with the spread of gated neighbourhoods are discussed and integrated in a model of the Latin American city structure. Based on narrative and biographical interviews with inhabitants, the two geographers challenge the assumption that the 'condominiumisation' of urban landscapes in Latin America is always caused by crime and insecurity.

In contrast to that conclusion for Latin American cities, Ulrich Jürgens and Karina Landman relate the rise of gated and walled neighbourhoods in South Africa to the increased perception of insecurity and the comparatively high crime rates since the transformation of the apartheid city. The authors discuss reasons for the popularity of so-called walled-in communities as well as the physical, social, political and urban planning consequences for the post-apartheid city.

Georg Glasze discusses the results of a comprehensive field study of guarded residential complexes in Lebanon. He rejects both the interpretation of several commentators who see these complexes as traditional 'oriental' ethnic and confessional segregation in a new guise and universalistic explanations that relate the rise of guarded neighbourhoods vaguely to concepts of globalisation. Glasze develops an approach which analyses the specific social context of urban development as institutions which are locally and historically specific but not immune to wider secular trends. This approach helps to identify the confessionally segmented patterns of social interaction in Lebanon that provide a *sine qua non* context for the rise of guarded residential complexes.

The case of China presents interesting challenges to the discourses on urban enclosure. Guillaume Giroir discusses a highly fortified luxury villa complex in the suburbs of Beijing. He interprets this new kind of housing as a manifestation of the extreme economic disparities that have emerged in China after the economic and political reforms. Complexes such as that studied by Giroir bear clear similarities to the gated communities found in the United States and elsewhere and sit strangely alongside the legacy of the pre-reform Chinese urban landscape.

Chris Webster, Fulong Wu and Yanjing Zhao look beyond China's luxury

villa enclaves and develop the thesis that there are many legacy and modern forms of condominium institution in contemporary Chinese society. Co-ownership and co-rule is a ubiquitous institution for organising residential spaces in China and has survived the end of the centrally planned era in a number of intriguing forms. They argue that this makes for a unique set of starting conditions for the future spatial shape of urban China. It also presents a distinctive set of institutional constraints on the evolving internal urban structure of cities.

Sebastian Lentz also presents insights into an economy in transition – Russia. Gated communities first appeared on the Russian property market in the mid-1990s. Since then their numbers have been increasing constantly. Lentz discusses two types of interpretation. According to the first, gated communities are a new phenomenon, related to rapid economic, legal and societal transformation. Prompted by real and imagined threats in a quickly changing, confusing society, they became a successful housing model. The second interpretation points out that guarded housing complexes were already established in Soviet society. In spite of official self-representation to the contrary and widespread perception in the West, Soviet society was deeply fragmented and spatially subdivided. The leading cadres of the Communist Party and the armed forces (*nomenklatura*) had access to elite housing, which included gated communities in the strict sense of the word, from city apartments in big housing blocks to elite dacha colonies.

As we have already mentioned, the guarded and gated complexes in nineteenth-century London may be interpreted as precursors of the boom in the contemporary USA. The recent development of private residential complexes in England and New Zealand is discussed by Sarah Blandy, Jennifer Dixon, Ann Dupuis and David Parsons. Drawing on empirical research in Auckland and in Sheffield the authors first compare the external regulatory environment, including planning law, government policy and property law, that provides the frameworks for the development of private and sometimes gated neighbourhoods in the two countries. Second, they analyse the mechanisms for the internal governance of private residential neighbourhoods. The authors show that the development of private and gated neighbourhoods seems opposed to official government aims and point to the institutional gaps that have allowed these complexes to emerge.

The development of guarded residential complexes in the Iberian Peninsula has sometimes been compared with the boom of gated communities in the US-American Sunbelt states. Rainer Wehrhahn and Rita Raposo present several findings which seem to back this point of view, including the development of second-home complexes in the coastal zones starting in the 1970s and then a spreading of these complexes to central urban areas later on. However, the authors stress that empirical analysis of the recent rise of guarded neighbourhoods in Portugal and Spain reveals a complex set of widely diverging factors to be responsible for the process of privatisation of neighbourhoods in both countries.

Unifying the chapters and straddling the different positions and paradigms adopted by authors is the idea that private neighbourhoods are a new territorial form of political organisation on the local scale. In this sense, we offer the book as a piece of positive urban research. Those who are interested in understanding the causes and consequences will want to reflect on the facts presented and also the diagnosis, explanations and prognosis given in each case. Authors are mixed, in their views of whether private neighbourhoods are good or bad, of where to focus discussion about causality and of the appropriate spatial and temporal scale for evaluating costs and benefits, and in their conclusions – where is it all heading?

Notes

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- 1 Abstracts of the contributions to these meetings are available at www.gated-communities.de.

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THE DYNAMICS OF PRIVATOPIA

Private residential governance in the USA

Evan McKenzie

Abstract

This essay presents an overview of private residential governance in the US. It explains what the institution consists of, what forms it takes and how widespread it is; how privately governed communities are brought into existence and how they are regulated. The essay then considers what these new institutions and processes signify in the broader international context within which they must now be placed. Certain incentives and environmental conditions seem to produce and accelerate this transformation of local governance. Yet there are challenges facing these new institutions and questions must be raised concerning the near-term prospects for the success of this experiment with privatising local government. The essay concludes with some thoughts on what the US experience with this institution tells us about the debate over privatisation of public functions.

Introduction

Hardly more than a decade ago the literature on private residential governance was sparse, consisting mainly of government reports, trade association publications, journalistic accounts and some law review articles. Then, beginning in the early 1990s, a number of books appeared that began to create a social scientific context for the subject (Dilger 1992; McKenzie 1994; Barton and Silverman 1994; Blakely and Snyder 1997). Until very recently, nearly all of the available studies dealt mainly with the US. But during the last few years, the research base on private communities has expanded to include an increasing proportion of studies that deal with a wide range of nations on every continent.

We are now able to consider the rise of private urban governance in a comparative perspective and perhaps answer fundamental questions. For example, it is possible that an American institution is being exported to the world, but it may instead be the case that identifiable political, economic and social conditions facilitated the rise of private communities in the US, and are now