FOUNDATIONAL ECONOMY

From foundational economics and the grounded city to foundational urban systems

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Recent overlapping crises have renewed calls from different corners of the world to rethink the most basic of economic relationships. It is clear that 20th century ideas regarding to the purpose, value and logic of basic economic relations have broken down. For many, this warrants a complete re-theorising of economics, aimed at delivering prosperity within social and environmental limits (Raworth, 2017; Pirgmeier, 2017). We argue these new ideas about economic relations are best applied to 'Foundational Urban Systems'; that re-configuring these systems is a tractable way of provisioning the critical goods of everyday life. We identify nine principles of foundational urban systems.

Our approach to foundational urban systems begins with the notion of foundational economics. Rooted in work from scholars at the Centre for Research on Socio Cultural Change (CRESC, see Bentham *et al*, 2013) , Leaver and Williams (2014 p.220) define the foundational economy as that which comprises 'the mundane goods and services necessary to everyday life: pipe and cable utilities, transport networks, supermarket retail and food processing, community-based health, education and welfare'.

Nine Principles of Foundation Urban Systems

1. **Foundational urban systems are defined by the necessity of their consumption**
2. **Foundational urban systems are defined by the generalized inability to self provision.**
3. **Each foundational urban systems is unique**
4. **Foundational urban systems do not have an ideal institutional formation**
5. **Foundational urban systems do not have an ideal size or scale**
6. **Foundational urban systems are the urban/urbanization**
7. **The right to the city is the right to foundational urban systems**
8. **Foundational urban systems must be produced in the first place**
9. **Foundational urban systems require a moral hierarchy of profit**

Leaver and Williams describe foundational goods/services as the first lien on household income; taking circa 30 per cent of the average household's consumption expenditure, and employing up to a third of the workforce.

Foundational economy scholars argue these essential goods and services (particularly in the UK), have been subject to an almost universal prescription of 'competition and markets' to 'fix' their functioning and deliver 'efficient' services (Bentham et al, 2013). This competition and markets prescription, applied regardless of the characteristics of the commodity, leads to the provision of these services under a narrow logic of 'point value' (Bowmann, *et al* 2012).

Point value is described as where the service providers aim to secure least cost/most profit at a single node of provision as opposed to building 'chain value' in which value is ascribed across the systemic provision of a service or good. Where point value often leads to profiteering and underinvestment, chain value allows weight to be given to the full economic, social or environmental impact of provision.

Bowman *et al* (2014) argue that 30 years of UK economic development policy has been focussed on attracting a thin sliver of mobile capital in the form of headquarters and branch plants of technology, service and creative industry firms. This has been to the severe detriment of the foundational economy, which by omission from formal economic development policy has been captured by 'point value' logics. This point value logic is easily subsumed by and enables deeper processes of the financialisation of key merit or public goods (Bayliss et al, 2016).

Engelen et al (2014) argue this is translated into local economic development policy, wherein these high tech/favoured firms are pursued by cities in competition to the

exclusion of economic policy based on foundational economic sectors, a form of spatial fix to retain or attract mobile capital. This approach to local economic development chases economic activity in favoured sectors, as opposed to ensuring the commodities and services which underpin the daily lives of citizens and residents are provided. Not only have foundational economy scholars shown that in pure size, the favoured/competitive economy is much smaller than the foundational economy, scholars of agglomeration (cf Sassen 2001, Florida 2005, Storper 2013) are fully aware that the benefits of agglomeration/centrality are often unequally distributed and can seriously exacerbate intraregional inequality, often forcing low and medium income residents away from jobs and quality housing.

Foundational economy scholars have discussed the 'urban' application of this concept in terms of the 'grounded city' (Engelen et al 2014), in which foundational goods and services are re-framed around their nature as critical to daily life and as such open to a different moral discourse than luxury goods/non-essential services.[1] While this approach goes a long way towards answering the longstanding critique of economics – that to paraphrase Oscar Wilde's Lord Darlington, they know the price of everything and the value of nothing – the foundational economy / grounded city approach to date can be strengthened by focusing on three important factors. First, foundational economics to date remains overly focused on production, as opposed to recognizing that what **makes these systems foundational is their consumption**. Second, foundational economics at times struggles with an **internalized understanding of the material reality of these foundational systems**. While both Bowmann et al (2014) and Engelen et al (2014) recognise the intellectual challenge of moving to specifics in their call for 'chain thinking about local connections and consequences', more is needed. Third, the **foundational economy / grounded city approach does not match their bold rethinking of economics with a similarly bold rethinking of the urban**. They take the city for granted, using a very partial and simplistic concept of the city – generally referring to some sort of municipal government – which does not do justice to the important work their economic thinking is trying to accomplish and does not fit with their overall goals.[2] The latter two issues plague many who would think to rethink the economy, as they struggle with systems at scale, falling into the "local trap" (Born & Purcell, 2006) all too common with alternative seekers.

In this paper, we argue that a foundational urban systems approach harnesses the best components of foundational economics while avoiding the above pitfalls. In what follows, we define and explain our notion of ***foundational urban systems***, incorporating both work

[1] Their principal prescription is a suite of social contracts negotiated predominantly by the state for the delivery of foundational economic activities. The function of this social contracting would be to capture the broad range of social and economic value that can be realised through adopting a 'chain value' perspective on the delivery of a good or service and negotiating a social contract that maximises co-benefits in terms of employment generation and socio-environmental gain.

[2] And is particularly problematic in Britain, where local jurisdictions have widely varying powers and are generally weaker than in many other wealthy nations.

from foundational economy scholars and other key areas of critical scholarship we argue are helpful in developing this contribution to alternative economic thinking. We develop this definition as a series of principles of foundational urban systems, principles which define foundational urban systems, explain why we insist on both systems and urban as part of the definition, and lay out a framework for the political economic retrofit needed to reprioritize what matters socially, economically and politically.
While the first principle is largely in line with foundational economics and owes a deep debt to its work, the subsequent principles increasingly challenge some of the core assumptions of alternative economic thinking, including the very definition of the urban.

Nine principles of Foundational Urban Systems

Principle 1: Foundational urban systems are defined by the necessity of their consumption

Foundational urban systems are common to all places, and necessary to each person. They include systems like energy, water, food and housing generally discussed (and economically dismissed) as "urban services" or infrastructure. They include systems like the production of public space or the regulation of violence which are often excluded from "infrastructure" discussions, and systems like finance which underlie the urban yet are not consumed directly. They include the core systems of social reproduction like health care and education, a thread drawn directly from foundational economics. They are what matter.

Yet what matters in this case is not the production of these goods and services and systems, but rather the consumption of the end product, be it water or safety or education. Yes, how a system is produced matters. Systems have an economy of their own, they are products of a labor process. Control and voice matters. But it is the consumption of water, the protection from violence, the ability to move about in space, etc. which is ultimately what matters. To repurpose a phrase from American evangelical Christianity, foundational urban systems are "purpose-driven."

One simple litmus test for a foundation urban system is a simple question: can a contemporary citizen pursing a modest life realistically choose not to consume it at all? If the answer is no, it is a foundational system.[3] The primary focus is the *necessity of the act of consumption*, not the labour process producing a foundational system, the wider economic effects of production, the political economy of that provision, the scale of provision or relational geography. All of those aspects of foundational urban systems surely matter, but the act of consumption is primary.

[3] One can certainly consider degrees of foundationality, but that is a subject for another paper altogether.

Principle 2: Foundational urban systems are defined by the generalized inability to self-provision.

In the contemporary world, most households in most places do not provide the products of these systems exclusively for themselves. They are, for most people in most places in the 21st century, the product of systems larger than the individual household. While there is incredible geographical and social variation in the nature of these systems, total self-provision is increasingly rare, even within single systems. Most households do not have realistic alternatives to whether they consume water or not, whether they will utilise grid electricity, whether they will engage with banking and monetary exchange and whether they will source food grown by someone else.

A corollary to the litmus test for principle one is the following: is the product of this system one in which the majority of people can readily self-provision? If no, than it is a foundational urban system.

Both of the first two principles are culturally-and geographically-specific. What is "necessary" depends on the person and place. Same with self-provisioning - different households in different places are willing and able to self-provision different things. But while it is critical to appreciate difference, we must be wary of making assumptions. Most rural communities are on septic rather than sewer systems, but it would be incorrect to assume they self-provision. Properly installed septic systems require expertise just like sewage systems. They are often built and installed by experts as part of a different political economy of waste disposal than integrated sewage, but are no more necessarily "local" or self-provisioning than a sewer system, even if the infrastructure once installed is on the same piece of land as its users.

This understanding of the centrality of consumption and the role of collective provisioning differs from an important antecedent – Lojkine's (1976) notion of "collective consumption." As explained by Ball (1986), Lojkine's was one of two definitions of "collective consumption", one which focused on the way in which a good was consumed, either individually or collectively. Like ours, Lojkine's definition of collective was expansive. In addition to parks, schools, hospitals, roads, public spaces – collective consumption owes it theoretical origins to public goods theory in economics – Lojkine saw housing as collective regardless of ownership or use due to its embeddedness in the city, an object which could only be consumed collectively.

But unlike the early collective consumptionists, the foundational urban systems approach argues that it is not the act of consumption which is necessarily collective, but the act of production. Collective consumption in this vein should be the act of consuming necessary goods which must be collectively produced. As While, Jonas and Gibbs (2004) and Jonas, While & Gibbs (2010) point out, collective-provision would be more accurate – it is

irrelevant whether we consume housing individually or collectively, it is the fact in an increasingly urbanized world, housing must be collectively provisioned.
If we prioritize consumption of these life-sustaining systems that most people cannot self-provision, it forces us to rethink some of the important tenets of alternative economic thinking. A consumption-based approach is deeply pragmatic – a system which enables consumption is better than a system which does not, irrespective of the scale at which that system operates, or the particular political economy of that system. Scale and political economy are means to an end. In the grand debate between process and outcomes, it sides with the latter. The best scale and political economy of a particular system depends on that particular system in that particular geography at that time in history. A foundational urban systems approach does not develop an a priori idea of a particular politics or scale and apply it to all systems. It starts with the necessary system itself and develops a bespoke political economy and scalar strategy for each system in a geo-historically specific way. This approach informs the following two principles, principles which address how each system is produced and governed.

Principle 3: Each foundational urban system is unique

While most "mundane" economies are foundational, this does not mean they necessarily are related in a material way. Housing and electricity are both foundational; but who makes them, how they are made, distributed, consumed, and regulated are utterly different. They have different inputs, outputs, and waste products.
This commodity-specific approach has been ignored for too long by mainsteam and heterodox economists alike. Just as the Chicago School economists' obsession with perfect rationality and equilibrium eviscerated specificity by assuming homogenous, rational utility function (Raworth, 2017), so Marxian analysis often abandons the nuances of commodity provision through a narrow focus on the coercive forces of competition and the contradictions of capital accumulation (Harvey, 2012). When David Harvey (2012) writes in 'Rebel Cities' of the need to abolish the entire capitalist law of value from all these critical systems based on the notion that the coercive laws of competition inevitably lead to violence against labour and exploitative consumption exchanges in *all* commodities, he ignores the fact that the hyper differentiated nature of these commodities.

One way to counter homogenization is through a systems of provision approach, an idea with origins in consumption studies. Fine and Leopold (1993) define "systems of provision" (sop) as a way to understand each commodity as unique "in terms of a unity of economic and social processes which vary significantly from one commodity to another" (p. 22). Fine shares the discomfiture of the foundational economy school on the ways in which neo-classical economics uses perfect competition and economic rationality assumptions to place consumers as sovereign in shaping commodities. Fine (2002) also critiques the structuralism of the antithesis, the Marxian/Gramscian approaches, which frame the market for a commodity as constructs of monopolistic capital, manipulative advertising and consumer

ignorance. Fine charts a middle ground by proposing that commodities are shaped by the degrees of competition and rationality in markets and the socio-cultural meanings attached to specific commodities.

Take cosmetics as an example. Finance, resource extraction, fixed capital formation, labour power and the means of production are assembled with transportation and retail networks to deliver one's cosmetic needs. One can construe this system of cosmetics provision as the market providing for latent demand, and since there are myriad producers, the forces of competition ensure exchange value will reflect the use value with no unearned increment. Alternatively one can construe the system of cosmetics provision as the result of artificial demand manipulated via manufactured appearance anxiety, a system of patriarchal/cultural hegemony; the market for which must be maintained artificially to retain class based circuits of capital accumulation (see Burke, 1996). Both approaches are true to varying degrees.

The most vital aspect of Fine's work is recognizing what should be obvious, but which is too often lost in talk of "the economy", undifferentiated capitalism, or "the market": the vast difference between commodities. The basic materials of everyday life are exceptionally diverse in their production cycles, their economic geographies, the complexity of their inputs, their spatial relations and reliance on land, their basic consumer sovereignty. Water is surely not lipstick, but neither is it electricity, even if both are utilities and constantly aggregated by economic data. Each commodity must be understood as *hyper specific* (and geographically differentiated) interplay between social construction, cultural mediation, market monopoly/competition and individual preference; this means each commodity has its own system of provision (sop), each its *own political economy and culture*.

The ***sop*** approach forces foundational economics into better commodity-specific understandings of different chains of provision. There is no political economy of foundational economics (or foundational urban systems), but only political economies of food, clothing, energy, housing, etc. The ***sop*** approach helps frame the act of consumption of foundational services and unpack the ***sop*** of each commodity in time/space specific ways to find new ways of achieving provision - perhaps outside traditional market exchange, and certainly beyond the 'point value' complex, but likely not in the same way for each different commodity.

A warm home, sanitary conditions and safe public space for all citizens may be equally foundational, but the pathway to achieving each is not as simple as a question of grounding, point values and priority. It is also fundamentally a question of engineering, design, commodity-specific economics and finance, localized consumption and production patterns, and many more factors which risk getting lost without a deeper analysis of how each commodity is produced and consumed. It is complex work, necessitating an understanding

of everything from cultural signifiers, and political economy to basic physics and engineering.

The systems of provision approach allows foundational thinking to unpick which commodities are more amenable to variegated forms of market exchange and the 'point value' approach, and which need other forms of management. It also forces us to see how each system of provision, as a vertically linked set of processes and practices, differs across space/time. Not only is the electricity ***sop*** in Glasgow is fundamentally different to the water ***sop*** in Glasgow, water in Leeds is a different commodity than water in Riyadh. All four are interdependent 'pipe and cable utilities' with massive physical resource requirements, but their political economy, cultural significance and user patterns vary hugely.

This is an approach which has been used indirectly by critics of collective consumption. As both Rose (1990) and Ball (1986) point out, both the architects of collective consumption tended to overlook the specifics of the production of commodities. For Rose, it was child care, for Ball, housing and the built environment, but by adopting a predecessor of "systems of provisions" thinking – i.e. breaking down the highly specific political economy of each object that must be consumed - they show both the flaws and the hope for collective consumption thinking.

This nuanced attention to each individual system forces a more direct confrontation with the fundamental weakness of many alternative economics approaches – the fetishization of certain institutional forms (i.e. the state, for-profit corporations, anarchist collectives, etc.) or particular scales (i.e. the local, regional, etc.). Countering this tendency is vital, and informs the fourth and firth principals.

Principal 4: Foundational urban systems do not have an ideal institutional formation

If the second principle of self-provision is an inversion of Lojkine's understanding of collective consumption, the fourth principle involves a more direct challenge to the second common understanding of collective consumption. Generally associated with Castells (1977, see also Pahl 1978 and Theret 1982), this view defines collective consumption primarily through the role of the state in propping up or providing the means of consumption. According to this view, these objects are necessary for the reproduction of labor power, and hence the reproduction of capitalism, but as they had (at the time) limited possibilities for profit, the state intervenes. As Cox and Jonas (1993, p.11), following Saunders (1986), put pithily, this school of collective consumption thought has "the socialization of consumption by the state" as "a common denominator."

Yet these collectively provisioned goods of consumption are essential to human life-regardless of the role of the state, or any institution, regardless of whether they are privately or publically consumed. The state-centered version of collective consumption won

out in part because it became central to Castells' (1983) understanding of urban social movements – the fight for collective consumption, defined in this way through the role of the state, was the first of three reasons why he argues that urban social movements come together. It is also this reason why collective consumption is back – people are increasingly fighting for these collectively produced goods, in a way that shows the state-centred definition to be problematic. Social movements are not necessarily demanding state provision, simply an intervention, now that foundational urban systems:

> can be productively plundered, used to actively generate capital, used (and abused) in evermore exploitative and extractive rounds of primitive accumulation (Merrifield 2014, n.p.).

Yet while the evidence is clear that a generation of state rollback in collective provision has allowed these foundational urban systems to be an increasing source of profit and exploitation (cf Crewe 2016; Bayliss, 2016; Swyngedouw, 2005), it is a mistake to *define* collective provision through any particular form of institutional or sectoral organization, and an even bigger mistake to adhere to an institutional ideology. .State actors of different scales, for-profit actors of different sizes, non-profit and informal institutions can be involved in ways that are productive, non-exploitative and sustainable. It depends or the particularity of each system (Principle 3) in its particular geography and moment in history.

Evidence of the lack of ideal institutional structure abounds, mostly through the sins of each sector. While private for-profit exploitation needs little discussion (though see Meek, 2014 for a popular example), the track record of state providers is far from ideal, from overly centralized and bureaucratic systems which dramatically underprovisioned, to racist and classist uses of state-power, often in collaboration with for-profit institutions (CITE). Local governments can become clubs for the elite (Charmes, 2007). Non-profit, collectivist institutions can also be just as exclusionary, from Homeowner Associations and gated communities in the United States (McKenzie, 1994) – some of which incorporate as municipalities – to the ongoing challenges of diversity and exclusion in cohousing (Chiodelli & Baglione, 2014), an archetypical institutional ideal in many alternative economic circles.[4] Neither protection from violence nor the perpetuation from violence are in reality the monopoly of the state, regardless of what states may imagine.

Yet the strongest argument against institutional or sectoral fetishism – and in favour of a foundational urban systems approach - is political and practical. On the former, progressives are often hopelessly divided between statist and collectivist institutional fantasies. Evidence of injustice is quickly followed up by an argument for "the commons", the "welfare state", etc., where what is needed is unity around collective provisioning. To meet the needs of a

[4] See for instance the debate on the differences between gated communities and cohousing (Ruiu, 2014; Chiodelli 2015).

21st century urban world, we will need all institutional actors to engage effectively and morally. Certainly state-power is often (but not always) central to better provisioning. . Key alternative mechanisms that are "collectively" owned have shown promise in specific places and time, and can be extraordinarily helpful and inspirational. But especially when considered across cultures, geographies and moments in history, no amount of evidence can support any overarching ideological position with regards to institutions. Certain types of institutions may in certain places be more effective at provisions – i.e. state-led housing corporations in one place, micro-entrepreneurs in another – but the complex and unique nature of each system belies any form of a priori political structure. Rather than derive an idealized political structure and apply it to each system – what can be considered a form of politics-centered urbanism – we instead need to focus on the system at hand and develop and urban-centered politics (Schafran 2014). The specific political economy for each system must derive from the historically- and geographically-specific foundational urban system.

There is also a practical reason. If we maintain focus on the foundational urban system, we soon recognize that state, for-profit and non-profit actors aremost are likely involved in virtually every aspect of provision in most places (Hall et al, 2016). Many of our systems of provision are deeply embedded, and while clearly many are undervalued economically, exploited for profit or power relentlessly, inadequate in many locales, etc. no amount of political activity is going to effectuate some form of Corbusian bulldozing of foundational systems. The complexity and necessity of these systems belies a page 1 rewrite. Retrofitting is the only revolution.

Principal 5: Foundational urban systems do not have an ideal size or scale

This institutional fetishism has a scalar corollary. A foundational urban systems approach not only must remain system-focused and avoid any a priori focus on a particular institutional form, so must it avoid any a priori focus on a particular size or scale. It is understandable that many alternative thinkers have focused on localizing control over foundational systems. The duelling forces of financialization and globalization have often negatively disrupted key systems of provision. The current heavily globalized system is wasteful and exploitative. There are surely many foundational urban systems in many places which could be made more equitable, efficient, resilient and less environmentally damaging if they were more localized. This applies to both the material geography of the goods produced by the system – the actual water which moves, the wheat and the sewage and the transport – and the institutional geography which controls and manages the system.

Forms of localism have had a profound influence in alternative economic thinking around foundational systems, both for those seeking to return to a form of "municipal socialism" whereby cities regain power over these systems (cf Crewe 2016) or in more anarchist-collectivist formations like those which derive from Bookchin's (1992) "libertarian municipalism" or from various "commons" approaches. These approaches make a similar

mistake to the sectoral and institutional approaches. Theirs is often a geography-centered urbanism, whereby an idealized geography is imagined and then applied to the systems to be governed.
Born and Purcell's 2006 critique shows this with regards to food systems, and is worth quoting at length

> The local is assumed to be desirable; it is preferred a priori to larger scales. What is desired varies and can include ecological sustainability, social justice, democracy, better nutrition, and food security, freshness, and quality. For example, the local trap assumes that a local-scale food system will be inherently more socially just than a national-scale or global-scale food system.
>
> …. there is nothing inherent about any scale. Local-scale food systems are equally likely to be just or unjust, sustainable or unsustainable, secure or insecure. No matter what its scale, the outcomes produced by a food system are contextual: they depend on the actors and agendas that are empowered by the particular social relations in a given food system (p. 195-96).

These outcomes also depend, per Principle 3, on the specific system itself. Local control of decision-making on bike and pedestrian travel may make sense, but not on long distance travel. Energy efficiency retrofits of housing makes sense as a neighbourhood / city scale effort due to building stock expertise and moderate economies of scale (Gouldson et al, 2015), whereas building and regulating electricity and gas transmission grids and interconnection capacity is clearly at least a national scale undertaking.

Like with institutional fetishism, the argument against scalar fetishism has a practical side. Regardless of what is "best" or "ideal", systems in most geographies have long and deep scalar relationships. In some cases, major political pushes to alter the scalar relationship is warranted. But in many others, this a priori scalar assumption is a poor place to start. Better to begin with the existing system in that place and time, and analyse from there.

Like Born and Purcell, we are not arguing that the local scale is not important. Many foundational urban systems may be made better in different ways by downscaling. But the foundational urban system approach demands an urban-centered geography, i.e. a geography of both governance and material provision determined by and dependent on the specific system at a specific time and place. It may be large or small, controlled by actors at different scales, but it is the system itself which should determine its geography.

Principle 6: Foundational urban systems are the urban

The question of scale and the question of institution come together when we imagine the city as a political creature. The "grounded city" approach not only sees the local as at times

a priori superior, it functionally defines the city in such terms, primarily as a *political* jurisdiction or scale. Recent debates about the ontology of the urban or urbanization have exposed both the limits to this "city as political jurisdiction" approach (Brenner & Schmid, 2014) and a reminder that no matter how we may reimagine the city, the political city very much still exists (Roy 2015).

Yet foundational urban systems approaches, to be effective, must move beyond the city defined either in scalar or institutional forms. Thus principle 6 insists that when human institutions and the existing built environment come together to produce foundational urban systems for consumption, this doesn't happen in a village or town or city or urbanized area. It is the urban, or urbanization, regardless of scale, settlement type, or political boundaries.

This is not to take sides in the ontological debates about what defines the city,[5] for most understandings of the city are partially true. But from a practical standpoint, the problem with an understanding of urbanization that is defined by the political, or for that matter by agglomeration (Scott & Storper, 2015) is that it relies too heavily on centrality. If we adopt the "half the world lives in cities" types of understanding of cities, what about the other half? Foundational economy and grounded city theorists are quick to point out the problems of certain types of cities (i.e. London) negatively impacting the economic imagination and policymaking of so-called secondary cities, but what about rural residents? What about small towns?

This principle is the most challenging intellectual leap, for we have been raised with both de jure and de facto understandings of cities as centralities, and the cultural importance of the city/country, city/suburb, urban/rural binaries is fundamental in many if not most places. But the foundational urban systems as the urban simply builds on the sheds approach, one which channels geographers' approaches to watersheds into thinking in terms of commutesheds, foodsheds and much more. These are systems-centered geographies, not geography-centered imaginations of systems, whereby we examine actual existing systems of provision and define our understanding of urbanization around them. What differs from the watershed approach is that it is human agency driven, examining the political, economic, institutional and infrastructural system, not simply the natural one.

The politics of devolution in the United Kingdom are prime evidence of the political infeasibility of an approach which centers on centrality, or one which accepts these cultural binaries as immutable. Foundational urban systems provides an easy way to avoid deeply troubling political divides between urban and rural, small town and big city, big city and

[5] . At this point in urban historiography, we must treat the "urban definition problem" (Fragkias, Güneralp, Seto and Goodness 2013, p. 430) as a fundamental part of urban ontology.

bigger city, by insisting that the systems themselves define our urbanization, not the political or even cultural understandings of cityness.

This is not to dispute that centrality matters economically (Jacobs, 1984; Scott & Storper, 2015). Seeing foundational urban systems as the urban regardless of centrality, scale or politics allows us to build a more inclusive urbanism without necessarily trying to attack centrality or deny its importance. As Soja (1989, p. 234) noted, "centres hold." The post-industrial world has not devolved into a placeless world, where the center and periphery are rendered meaningless. Centrality matters *empirically* perhaps more than it ever has. The problem is that this means that everyone is trying to build a mountain (Scott & Storper, 2015) when most people will never leave the plains.

Yet as grounded city theorists recognize, focusing so intently on centrality is inherently damaging to both to those who are and are not central. Being in the center is not always good, especially not for the majority of those that occupy (and helped build) that center. This is integral to Sassen's global city argument, a fact once overlooked which has now been thrown into full relief with the crisis of affordability plaguing London, New York and many other "global cities."[6] An important aspect of the postcolonial pushback against global city theory, one of many strains of urban thinking focused on centrality, was not that it was empirically incorrect, but rather that it reproduces the hierarchies of a historically unjust centrality (Robinson 2002, 2006).[7]

Principle 7: The right to the city is the right to foundational urban systems

If we disconnect our understanding of the urban and urbanization from centrality, and instead root it in foundational urban systems, it begins to alter how we approach keys questions of justice and rights. In particular it enables us to rethink the meaning of Henri Lefebvre's widely used notion of the right to the city.

The centrality of centrality is something Lefebvre acknowledged, an aspect of the *Urban Revolution* sometimes lost in the current focus on the "planetary urbanization" derivative (cf Merrifield 2013). In the *Urban Revolution* (2003, p.96), he argues that "there can be no city or urban reality without a center," and that "the essential aspect of the urban phenomenon is its centrality (p. 116)." As he notes in a footnote, the "right to the city" in his mind is a "right to centrality" (p. 194). He struggles with this centrality, for he knows that "Centrality would produce hierarchy and therefore inequality (p. 125)."

[6] Scott, Storper and many other agglomerationists similarly recognize the negative externalities of centrality. We in no way argue that the majority of the field celebrate the type of centrality as an inherent good.
[7] Centers matter, and we should understand how they are produced. They can be particularly important for foundational systems, as economies of scale matter not just for economic growth but for the provision of foundational urban systems. But they matter in different ways for different systems.

Thus principle 7 refocuses the question of rights on the foundational urban systems and not on centrality. It is protection from violence, and the system of provision which support this, which needs to be the focus of rights and struggle. Struggle for centrality is inherently limiting, whereas foundational urban systems can be constructed in such a way as to render centrality much less important. If the Right to the City is fundamentally a "cry and demand" (Marcuse 2009), it must focus on the demand for foundational urban systems.

Some common interpretations of the right to the city as the right to both "habitat and inhabit" the urban, i.e. both to live in a place and make it "one's own" (Mitchell and Heynan 2009, p.615), a general emphasis on the right to "use value" over "transfer value", stem in part from this emphasis on centrality. But there is additional interpretation of the right to the city which needs to be seen as more and more vital: a recognition that the urban dweller (defined without reference to a particular geographic form) is a "user of multiple services", and that the right to the city is intrinsically connected to these services (Lefebvre 1996, p.34). This is the approach a foundational urban system emphasizes, in many ways putting more city in the right to the city.

Like most of the principles, this is a political and a practical consideration. Centrality is an impossible goal; housing and food and water for all is not. But this right takes on particular meaning in what is steadily being recognized as a 'post-labor society' – one where the economy is defined primarily by labor surplus as opposed to labor scarcity (Rifkin 1995, Ferguson 2013, 2015). It is unrealistic to imagine a world in which all 7-9 billion humans have a "job" in the traditional sense, and even less realistic (and blatantly unjust) to continue to mindlessly connect the basic services of human survival – food, housing, water, energy, health, education, public and green space, etc. - with income from said employment. Certain strains of "post-labor" thinking center around basic income grants (Ferguson 2013, 2015), innovations which reimagine the welfare state on the income and support side. The foundational urban systems approach could be misconstrued as retrograde in this sense, focusing on specific systems, much like the Keynesian welfare state which generally supported housing, education, etc. separately, as opposed to through a single block grant. This is not the case – a foundational urban systems approach does not imply any particular means of funding that consumption, it merely joins post-labor thinking in recognizing that the link between wage labor and consumption of foundational systems is broken, and cannot likely be fixed. In the context of a post-labor society, it also becomes the right to be low-income (a wage condition) without being poor (a material condition).

Principle 8: Foundational urban systems must be produced in the first place

Simply because the link between wage labor and consumption of foundational urban services is broken, this does not imply that there will not be a good deal of labor involved. Precisely the opposite. By appreciating the specific and complex economy of each system, what can be thought of as a focus on the economies of urbanization, and not simply the economics of

urbanization (Schafran et al. 2017), we can see just how much economic activity (labor, material, capital) goes into collective provisioning. Not only has urban economics and economics in general ignored foundational urban systems for reasons of centrality, they have largely ignored the size and scope of these systems as economies in their own right.

Alas, progressive critics who focus on use value v. transfer value often ignore one important factor. While there is clear evidence in many places that the intrusion of profit-seeking institutions has resulted in the transfer value of houses, water systems, etc. being prioritized over the use value (Bayliss, 2016; Robertson, 2016), this critique on its own neglects the fact that use value has to be produced in the first place. Untreated water that doesn't reach your house is of little use value to most households. A transportation system which is free buy doesn't work doesn't do anyone any good.

This recognition of the necessity to produce what *must be consumed* (principle 1) forces us to do two things. While the right to foundational urban systems is a laudable goal, assuring a right to something which has to be made in the first place is very different than a right to free speech or a freedom from detention. Thus, like grounded city / foundational economics scholars (cf Engelen et al 2014) we embrace the call for more *contractual* thinking. A world where foundational urban systems are a right, where foundational urban systems underpin a more just society, is a world where people have built a new social and spatial contract that constructs the socio-technical systems to produce foundational urban systems in the first place.

Principal 9: Foundational urban systems require a moral hierarchy of profit

To that end, we offer a final principal as a core piece of this new contract. There is much discussion in progressive economic circles about commodification, and its impact on any number of systems (cf UNHCR 2017 on housing). But "decommodification" is functionally impossible as long as things have value. The calls to decommodify housing recognize that housing is different than other commodities. So are all foundational systems. The issue is not their status as a commodity, but the fact that more and more powerful institutions are using foundational urban systems to reap exorbitant profits. It is about exploitation, not simply profit.

In some ways this is a technical question. Profit is not only operating profit made by companies providing foundational goods and services. While the British electorate is clearly suspicious of the returns made by large utilities, it is the internal forces of profit seeking and competition that drive inequitable outcomes in the system as opposed to the ultimate surplus made by utilities, which is modest at best (Helm, 2017; CMA, 2016). Work from the systems of provision school on financialisation has uncovered how multiple channels of securitization enable finance capital to extract value from multiple channels that do not appear as excessive shareholder returns (Fine, 2016). It is through this systems of provision framing that we see most potential in explaining the material cultures of value extraction. Only by detailed and explicit discussion of ownership and control of each system in each place is it possible to make informed choices on whether and to what level a particular foundational urban system should generate surplus financial value.

But more critically, it is a moral one. We cannot hope to build a better political economy for the production of foundational urban systems which must be produced if more and more people don't trust that these systems are not simply means of generating excessive profits. Foundational urban systems are all too often sources of illicit profit, from money laundering to corruption, in ways that are generating deep and troubling skepticism about our ability to collectively provision. Thus, we argue as a final principle that the foundational urban systems, which all humans must consume, which we generally do not self-provision, and around whose production we must agree, are part of a general "moral hierarchy of profit" (Schafran 2014, p. 325). Earning 100% return on investment into risky space exploration is laudable; earning the same on a housing complex is not. High-risk and high-yield seeking capital will always exist, but it must be sent to Las Vegas's casinos, not its housing market or water systems.

If we are going to intervene politically in foundational economies and foundational urban systems, the question must not be profit versus no profit, commodity versus commons, but rather how much profit on what item and what time and place in history.

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