



**THE PLACES WE'LL LIVE, &
WHAT THEY'LL LOOK LIKE**
Parag Khanna

A “tech-sodus” has been underway for years as companies raise money in Silicon Valley but spread their manpower globally.

Numerous tech executives relocated their firms to Vancouver, referring to British Columbia as the “new California.” Covid-19 then pushed the biggest tech companies to switch to (permanent) remote work, prompting a spike in Silicon Valley home sales.

To keep struggling talent in the Valley and loyal to their companies, major tech firms have offered income share agreements and loans to help employees pay off their student debt and save to buy homes.¹ Google, Facebook, Apple, and others have also committed \$4 billion to build homes in the Bay Area, but two hundred times that amount is needed. In any case, youth loathe corporate slavery and psychological burn-out. They value urbanity and community, but it doesn’t follow that they need to remain on the margins of others’ lives to attain it.

New York City and Los Angeles are in a similar boat but at a far larger scale. In recent years, the outflow from coastal giants New York and Los Angeles has been backfilled by a new crop of ambitious, adventurous, or rich youth. But large corporate headquarters are downsizing in favor of smaller satellite offices and remote work. Before the pandemic, only 4 percent of the American workforce were telecommuters. That figure could increase fourfold or more in the years ahead. Many companies would rather pay salaries or offer consultant contracts to remote workers who have quality connectivity at home rather than spend on expensive commercial real estate.

So what kind of places will youth prefer as their hub, the place they sleep, make friends, and spend free time? The US has more than two dozen major urban regions, each of which is competing to guard or upgrade its niche to remain viable and attract new residents. Millennials and Gen-Z are getting clever about calculating their post-tax cost of living before deciding where to take a job.² They have been snapping up houses in New Hampshire, Missouri, and Idaho, and fueling the percolating tech scenes in Salt Lake City, Atlanta, Indianapolis, and Phoenix.³ Another winning formula is that of so-called “18-hour cities”—such as Denver, Charlotte, Nashville, Portland, San Antonio, Atlanta, and San Diego—that have a lively after-work culture in their downtown areas.⁴ Las Vegas also lured young thrill seekers with full-service lifestyle hubs like AREA 15, with its pop-up retail and futuristic entertainment. Minneapolis has unveiled a 2040 plan to reduce housing inequality by eliminating the zoning bias toward single-family homes and building more affordable units. Such cities could become a nationwide model attuned to future demographics.

When Americans move within the country, they bring a greater density of businesses and investment. New York and California are home to almost half of America's small and medium-size businesses, but these are being lured to low-tax "sunbelt" markets such as Texas, Florida, North Carolina, Colorado, and Georgia. And instead of the West Coast and Boston hogging all the VC investment and tech jobs, Austin, Pittsburgh, Nashville, and Charlotte are expanding as living labs for blue chip corporations such as Amazon.⁵ They'll also draw tech incubators such as Plug & Play or 500 Startups. AOL founder Steve Case's Revolution is devoted to boosting tech ecosystems in neglected cities nationwide.

States today are divided between low tax and low regulation (as in Texas) or high tax and high regulation (as in California), but the states that may win the future are low tax and high regulation, such as Washington. Seattle has the fastest growing population among America's fifty biggest cities but has kept traffic down through huge investments in railways, buses, and bike lanes. Giant Seattle-based companies such as Boeing, Microsoft, Amazon, and Starbucks, and the thousands of smaller firms in their ecosystems, have become a world unto themselves, propelling the city into the top ten of America's metro-regional heavyweights.

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THE FUTURE OF SMART LIVING

For youth, the term “user experience” applies as much to cities as it does to companies. They demand that local governance leapfrog from decrepit infrastructure and shoddy services to sensors managing traffic and digital referenda gathering their views in real time. Small and wealthy countries tend to offer the best combination of security and lifestyle that youth seek, but within large countries such as the US, cities will compete to be “smarter” than their peers.⁶

“Smart city” now denotes everything from tele-medicine to pervasive surveillance. The technological dimension of smart city life is a mix of alluring and discomfoting. Apartments are becoming configurable spaces where furniture folds itself up to fit the space depending on whether you need a couch, bed, kitchen, or office. IoT, 5G, and AR/VR will deliver fully immersive streets and buildings. Mobile delivery by drone or robot means instant convenience but potentially clogged sidewalks and skies. Trucks outfitted with 3D printers can mobile-manufacture repair parts. Pizza Hut is piloting vans with ovens inside that make fresh pizzas while en route to deliver them. (There’s nothing not to love about that last one.)

Youth want to live in places where technology serves the people rather than the reverse. Right now, tech and payment companies from Google to Mastercard are digitizing local government services (software) while e-commerce, real estate, and automotive companies from Amazon to Waymo have been retrofitting the built environment (hardware). Data analytics units are popping up in mayors’ offices from coast to coast. But because digital natives have taken on a heightened awareness of data privacy, the future is likely to be more pragmatic than extreme.

The first incarnation of smart city rhetoric gave off the whiff of corporatized digital smothering. This is why Google spin-off Sidewalk Labs's Toronto waterfront district was mothballed before it got off the ground. With greater civic guidance, the emerging smart cities will be places where the Internet of things seamlessly blends into the background and affords residents a hassle-free lifestyle—a place where technology allows you to be you. The resurrection of Siemensstadt (an old factory town of the industrial giant's) into a futuristic residential hub outside of Berlin includes clear guidelines that the data will belong first and foremost to public trusts.

Next we can expect that more states will adopt "Digital Bill of Rights" statutes or offer a "data dividend" (paying users for their data) as California has proposed, and ban the use of facial recognition by corporations and law enforcement. There is also a strong push for digital authentication to prevent deep fakes and block cyber-clones, and to suppress hate speech and fact-check viral conspiracy theories. If there are going to be security cameras everywhere, then at least they could be used to stop the "porch pirates" who steal tens of millions of packages annually.

In the developing world, smart cities represent a seemingly necessary departure from the unfixable landscape of decrepit infrastructure, overcrowded tenements, snarling traffic, and rampant corruption. That's why Egypt has broken ground on a "New Cairo" city, for example. It remains to be seen if such projects will ever be completed, however. Amaravati in India was hailed as a cleantech capital for southern India's Andhra Pradesh state, but the government suddenly scrapped it in 2019 though construction was already underway. From Honduras to Madagascar, what Nobel laureate economist Paul Romer calls "charter cities" have also been attempted, but thus far more have failed than succeeded.

Just because you can build something doesn't mean you should. Making existing cities more sustainable and investing in their residents' mobility would be money better spent.

This is a reminder that in countries rich and poor, "smart city" may be code for promoting a neo-medieval stratification: the privileged class building new cities or districts to isolate themselves from the unruly outside world. The medieval walls now located in the pedestrian areas of Edinburgh or Barcelona's Barri Gòtic remind us that such formations are the historical norm. Indeed, Plato wrote in *The Republic* that, "any city, however small, is in fact divided into two, one the city of the poor, the other of the rich." We may be heading toward an enlightened feudalism in which progressive cities profess to be open to all, but the cost of promoting order is entrenching a new kind of hierarchy. Even in cities without internal fortifications, such as New York, episodes such as Hurricane Sandy in 2012 and the coronavirus in 2020 laid bare the extent to which zip codes correlated to suffering. A quality-of-life map of America best resembles an airplane with separate entrances, cabins, seating areas, and bathrooms.

Inclusive systems—whether cities or nations—empower everyone such that the whole becomes greater than the sum of its parts.

So much of the urban world is already stratified in this way, but with a different cast of characters. At the moment, cities like Dubai, Singapore, and Hong Kong are most associated with a bulging temporary foreign worker population living in effectively quarantined conditions separate from society at large. But as large states bring in more people without guaranteeing residency or living standards, stratification will inevitably take root among domestic and foreign, skilled and unskilled, rich and poor.

Smart cities won't truly be smart until we get smarter. Walling ourselves off from the insecurity outside hasn't brought us more security. Instead, it has stoked inequality and fear, while weakening our economy as more and more people have fallen out of it. Inclusive systems—whether cities or nations—empower everyone such that the whole becomes greater than the sum of its parts. Over the past decade, many of those who have become homeless for the first time have been retirees over the age of fifty with insufficient savings. Yet we have apps to help the homeless, released prisoners, and struggling students find affordable places to live. Shouldn't the hundreds of hotels going out of business due to Covid-19, from New York to Nairobi, be converted into residences for this underclass? **The test of how “smart” we are isn't very difficult.** 📍

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Endnotes

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