Abstract
The move towards ‘disintermediation’ – the reduction in use of intermediaries between producers and consumers – as well as linked trends such as decentralisation and the rise of social economy platforms, present countless opportunities but also threats to the functioning of cities, argues Jean-Baptiste Geissler. He proposes a new ‘city-region’ model of city organisation and government inspired by the ancient city-state model.

Context: towards general disintermediation

Among all the processes having territorial impact in recent years, we chose to single out three tendencies because, although they are different in nature, direction and magnitude, they can be gathered under a general movement of ‘disintermediation’.

First, one can notice a bottom-up demand for growing autonomy coming from citizens and small organisations at the territorial level, which Madanipour and Davoudi (2015) called ‘localism’. Stemming from various motivations, such as environmental, health-related, democratic, social or economic, it often translates into concrete and productive initiatives. An illustration of that would be the rapid development of short food supply chains, with schemes such as the AMAPs in France, GAS in Italy and the CSAs in the US.

Paralleling this tendency, the majority of Western countries have been undergoing a top-down (in the sense that it is decided at the central level) movement of decentralisation, motivated both by the subsidiarity principle, but also the lack of resources of central states, more than willing to ‘outsource’.

More recently, technological innovation allowed for the development of the sharing economy, where the line between producers and consumers is blurred and the emergence of platforms allows for coordination between a multitude of atomised actors.
Even if the final consequences of this paradigm shift towards disintermediation are hardly predictable, and may vary considerably depending on the context and the point of view adopted, some strong tendencies can already be evidenced.

It therefore becomes necessary, for researchers and policy makers, to try and anticipate the potential consequences of such changes by forecasting the concrete impact they could have on cities (1). In response to these challenges and opportunities, it appears necessary to propose a new model of city organisation and government (2).

> Threats and opportunities

**Threats: confiscation and fragmentation**

Between the growing demand for new services and the absence (because these are functions not yet developed by them) or withdrawal (for budgetary reasons) of public authorities, these disintermediated exchanges are more often than not facilitated by public actors bringing technological solutions to the table. The most famous actors of the domain certainly are the American companies Uber and Airbnb.

These facts, regardless of the moral or economic judgement one could voice in favour or against the predominance of large market operators, should lead us to reflect on the possible consequences of such mechanisms in a context of radical disintermediation, making it more difficult to implement public regulation.

A first threat would certainly be the confiscation of fiscal resources. For instance, contrary to taxi companies typically having drivers as registered employees, companies such as Uber claim to be only providing coordination and market access tools to a network of independent workers. This poses two kinds of problems: an increased atomisation of the workforce, with precarious situations, and more opportunities for tax evasion at the individual level.

For the last point, the solution for cities appears to be a quite straightforward one: since these platforms register every transaction going through their network, they could easily communicate these lists to the fiscal authorities of the relevant country or, even better, collect taxes themselves and transfer them to the local and national government.

As simple as it may look on paper, for now this solution is quite rarely implemented, at least in the most obvious case of Airbnb (and comparable companies), which is a major source of occupancy tax evasion for cities. American cities, having more legal power against the US-based company, and cities with important touristic landmarks (Paris, Amsterdam), have managed to make the company agree to collecting the occupancy tax for them (as hotels are legally obliged to do).

But the term 'confiscation' should not be understood in monetary terms only. Actually, beyond resources, these rapidly growing companies are often in a situation of monopoly - or oligopoly. They might not compete directly with a public service, but they are often active in publicly regulated sectors (private transportation, housing, energy provision). In that case, there is a risk that the dominant position of these actors gets reinforced over time, barring new actors from emerging.

One of the challenges cities, in collaboration with upper government level, will be facing in the coming years is therefore arguably gathering the technical competences and leveraging power in order to efficiently regulate this kind of platforms, limit their dominant positions and allow for competitors to have access to the market.

**Expanding the realm of democracy at the risk of fragmentation**

Paralleling the growing distrust in representative democracy that has spread almost consistently over the Western world, new forms of participation, especially local and urban, have developed, clustering around production and consumption issues.

A quite telling example of this process would be the question of food. This desire merged
with the anti-globalisation (or, more accurately 'alter-mondialiste', as the French named it) movement, peaking at the end of the 1990s-early 2000s.

A CSA, or its equivalents (AMAP, GAS), often carries a political message but its primary goal is food production. Every individual is typically both a producer (many CSAs require active participation in production activities) and a consumer, and voices a political claim through these very functions (Dubuisson Quellier 2009). The consumer therefore no longer is a mere market agent, but is instead proactive, becoming what can be called a 'pro-sumer'. Beyond the question of food, comparable initiatives are developing in the energy or water provision sectors.

Quite interestingly, these schemes, where there appear to be a continuum between consumer, producer and citizen rather than a clear distinction, are bringing to the public debate topics that were previously absent because of their technical complexity and centralised nature. This is typically the case for energy and water provision, but also for food. These initiatives therefore contribute to expanding the realm of democratic debate on a local basis, profiting from the physical proximity between producers and users.

This process is, however, not neutral and also carries inherent risks. In the present case, one can notice that centralised production, and especially that of energy, has been going hand in hand with the emergence and reinforcement of the nation-state model (Winner 2010). The disintermediation and decentralisation of energy production could therefore potentially harm the legitimacy of a nation-state and loosen the solidarity existing between its different territories. Quite similarly, the 'confiscation' risk described above also questions such core functions as welfare provision (made more complicated by atomised work organisation) is seriously challenged by these new organisational forms.

Together with other phenomena mentioned above, such as decentralisation, and acknowledging the existing separatist trends coming from some European territories (in the United Kingdom, Spain and Italy, for instance, see Davezies 2012), the risk of the “Balkanisation” of states into smaller entities should not be neglected as a potential negative by-product of this evolution.

The continued existence of nation-states in their current form is not desirable per se, yet it is also quite clear that unilateral separatism and sudden fragmentation could lead to chaotic and potentially conflict situations (hence the word 'Balkanisation' used above). In this context, the major challenge cities in the coming decade will be finding a working model that allows these initiatives to develop in a framework able to coordinate them in order to guarantee public interest.

> Going beyond governance: the pertainence of the city-state model

The disruptive changes mentioned in Section 1 have considerable impacts, with strong territorial relevance (Section 2). Based on these observations, we can wonder what form of organisation would allow local governments, and especially cities, to address these disruptive changes.

We argue that very relevant ideas are to be found in the city-state organization, which has been experienced in diverse forms throughout history, from antique Athens to Renaissance Venice. Although this model is, of course, not replicable centuries later, some driving ideas could prove to be inspiring in order to re-invent cities’ and local authorities’ governments. They could provide us with insightful archetypes that would help us build a trajectory for the current cities’ evolution.

The model of a government, close to its citizens, with some direct decision making process and having authority both over a city and its hinterland, can seem to be quite relevant for Western countries’ metropolises.

A governing body, including a city and its hinterland

Many countries are indeed already engaged
in reforms granting increased autonomy to the metropolitan scale, but their ambition is often limited and the model towards which they try to progress is unclear.

The city-state model once again seems to be able to give us insights. Actually, for many sectors, be it services, such as transportation, or even production, such as food, the city-region scale, including a medium-to-large city and its hinterland, appears as a particularly adequate level of management and regulation.

This model would, moreover, be an opportunity for truly connecting urban, peri-urban and rural territories in a pattern emphasising their interdependencies and encouraging their combined development.

Our aim is not to argue for the resurgence of completely independent city-states disconnected from the upper levels of coordination. The risk of fragmentation mentioned above is, of course, not to be neglected.

However, in a renewed configuration of the city-state model, which would be viable in the current context, the presence of an upper level of government would still be required. Actually, there is an indisputable need to coordinate actions with other territories; develop larger-scale infrastructures; be able to enforce safety; but also have true leveraging (and therefore regulating) power over multinational enterprises (MNEs).

A more direct form of democracy

The question of scale itself is not enough to distinguish this model from current reflections. What is advocated in this paper is also a renewed pattern of city administration that should be part of this paradigm shift.

Traditional forms of consultation and participation, as carefully designed as they might be, are increasingly being challenged by citizens. In spite of its obligation to submit projects to public debate, France, for instance, is currently witnessing at least two major protests against infrastructure projects (Notre-Dame-des-Landes Airport and Sivens dam).

Rather than focusing on countering opposition, local governments should develop strategies to enable co-construction of policies. When growing numbers of citizens are engaging in production and consumption, an increasingly pressing question is: what can local authorities do with these "individualised collective actions" (Micheletti, 2003)?

Governments in general, but especially local authorities, have learned in the past two or three decades to deal with relevant stakeholders in a paradigm that has been called "governance". Authors evidenced examples where this type of organisation leads to more innovative solutions (for instance Turin, see Dente & Coletti, 2011). Yet, this format might not be inclusive enough to satisfy the citizens' aspiration for direct participation.

Direct participation could be channelled in two different ways:

The first one would be allowing citizens and groups (organised in associations or not) to directly submit policy or infrastructure projects, in the framework of participatory budgets, for instance. Such schemes would enable them to embrace the new territories.

The second one would aim at enabling the direct participation of citizens in the decision making process. Actually, representative democracy seems to be increasingly questioned in its very ability to represent the people and distrust between citizens and their political class is growing (for France, see Algan & Cahuc, 2007). An "innovative" solution (actually directly inspired by the Athenian democracy) could be the introduction of drawing lots rather than elections for some specific positions in order to diversify recruitment. All citizens would potentially become involved in the direct government of the polis, and education schemes would have to evolve accordingly and train everyone to public decision making.
> Conclusions

The current general disintermediation trend, taking the many forms of short supply chains, decentralization, and the emergence of sharing economy platforms, is carrying many opportunities but also threatens the functioning of cities. It requires the reinvention of the way cities are organised and governed in order to fully grasp the positive aspects of this paradigm shift and counter the potentially negative ones.

Yet, in order to have a chance to succeed, this should not be a mere institutional-scale change with cosmetic institutional evolutions, but instead an actual model change. It is, moreover, important for governments, be they local or central, to clearly identify the direction they are taking in terms of institutional reforms, in order to allow the citizen to position him/herself vis-à-vis the changes to come.

In this paper, we argued that many insights could be found in a renewed model for cities, inspired by the ancient city-state model. It would grant a great amount of autonomy to entities that would encompass a medium-to-large city and its hinterland. In our opinion, such a model would allow for a better management of increasingly decentralised functions, such as energy, water or food provision, as well as some experience of a more direct democratic paradigm through participatory budgets and drawing lots, for instance.

These new cities would not be true city-states, closed to a “barbarian” exterior (as were the Greek city-states), but rather “city-regions”, able to have control over the development of a coherent territory but still recognising the necessity of the existence of an upper level of administration for coordination and service provision (large infrastructure, defence).
End notes

1. Association pour le Maintien de l’Agriculture Paysanne: French association bringing together producers and consumers, with the latter committing to buy the former’s entire production for six months to a year.

2. Gruppo di Acquisto Solidale: Italian association bringing together consumers who buy directly from producers.

3. Community Supported Agriculture: American counterpart of the French AMAPs


6. In France, for instance, Paris, Lyon and Marseille, the country’s three largest cities, have held a special status since January 2016. They now have a governing body that has authority over the whole metropolitan territory. The elections, however, are indirect, the roles are unclear and, in the case of Marseille, the body’s very existence is contested even by some elected officials.

7. The city of Paris’ initiative is in this regard one of the most ambitious to date. http://next.paris.fr/english/english/5115-ideas-submitted-for-the-2015-paris-participatory-budget/rub_8118_actu_154341_port_19237

References