



**Episode 975: Radical Libertarian Architect: Privatize Public Spaces, Housing, Everything**

**Guest: Patrick Schumacher**

**WOODS:** I'm right now looking at this notorious article now from November of 2016 talking about you. And of course the sub-headline refers to your extreme views and they're causing outrage and on and on. They don't say that about people who have views opposite of yours. They say that about you in particular. And they start off by saying — this is the first sentence of the article — "Abolish social housing, scrap prescriptive planning regulations, and usher in the wholesale privatization of our streets, squares, and parks. That was the message," they say that you delivered, "to a stunned audience of architects and developers at a conference in Berlin last week, provoking a flood of impassioned responses online." And you've been declared "the Trump of architecture." If only he favored privatization the way you do.

But before we get into the details here, had anybody known that you had views that were, let's say, of the sort that would shock *The Guardian* before you delivered that speech?

**SCHUMACHER:** Some people did. I've been proselytizing for my libertarian views for quite a while, but not with so much media attention. This was more in smaller circles perhaps and various lectures and seminars, small academic circumstances. I actually was at a London property conference; I was sitting in the front row combatting a series of the panelists there and brought them out of their kind of usual Sunday speech boredom. But nothing hit the headlines. Nothing hit the fan before, so that was a shock, in a way.

**WOODS:** So you have — I got to meet you briefly at the Mises Institute a couple of weeks ago, and just judging from the article alone, you do have views that to a libertarian would seem fairly standard, but as with many of our views, to the average person — the average person's going to have a heart attack over some of these. So I'm curious, first of all, about the world of architecture and if your views are really so extreme. Like in the tech world, for example, there are a lot of leftists, but there are libertarians who just keep their heads down and are quiet, so I'm curious about that. And secondly, how did you come to adopt these views in the first place?

**SCHUMACHER:** Well, great question. Yeah, it's different from the tech world. I'm familiar with the tech world also, and there you get much more respect for capitalism, for entrepreneurship, for libertarian conceptions, because these people really want to change the world and be free to do so, and they need that entrepreneurial freedom.

In architecture, there's less of this, far less. We are much more used to think of the state as a client. Particularly when it comes to urban planning, it's nearly unquestioningly taken for granted that the state takes the leading role. And in general, I would say academic disciplines like architecture and many others, they have this I think hangover, I would call it, this inertia of being left-liberal, strongly left-liberal, majority-wise, oriented and with very few exceptions. There are a few characters, particularly people coming maybe from Eastern Europe to London, etc., who learned something – have different opinions. But certainly my view is very, very much the minority view, and the standard view is a left-liberal view.

**WOODS:** And you used to be on the left, you told me.

**SCHUMACHER:** Yes, I was on the left. I have a lifelong search and interest in how society works, how politics works, how we could accelerate, let's say, the human project. And when I was much younger, I actually started in my mid-twenties, early twenties, in fact, I was interested in philosophy and I was drawn to Marxism and the work of Marx. And I think he's still a great inspiration as a figure. Somebody who said, I am thinking through the destiny of humanity and taking responsibility for human progress on my shoulders and I'm entrenched in critiquing what has been thought through so far in this arena. And he was an incredibly eager learner. So I was attracted to Marx.

And also the Marxist movement at the time was in Germany – we were all brought up in kind of an anti-communist hysteria, so I was attracted to Marxism at that time because it wasn't so mainstream. And so I wasn't the kind of softy-softy left-liberal; I was more of a radical Marxist who was more like kickass, professionalized catered parties, leadership. A lot of themes of the Marxists are still I think resonating, not particularly this, but the idea that human progress and appraisal of its chances with respective areas, political regimes or social institutions needs to be based on an economics understanding, on the understanding that we need to reproduce materially and progress and have productivity gains as a very, very important critical aspect to reflect. So that in a sense carries over.

And when I look at what I'm now interested in – I discovered the Austrian school and Austrian economics in fact through you, Tom. It was the shock of 2008. By that time, I wasn't a Marxist anymore. I had become a kind of mainstream figure. I was happy with the neoliberal revolution to some extent, but I still had kind of – would maybe consider myself a kind of Blairite modernized social democrat, and I was interested in philosopher like maybe Jürgen Habermas and Niklas Luhmann, who was more maybe pro-market oriented. But really, the financial crisis shocked me, and I wasn't prepared to think of kind of left solutions to this. And I was looking out for solutions. I came across *Meltdown*, your book, and it really made sense. It ran open doors, in a sense. I seem to have been ready for this message. And I drilled into it rapidly, deep into Austrian economics, and I found it very compelling and convincing. And in a sense, it re-radicalized me. It satisfied my urge to think outside of the box and not just go along with the kind of mainstream recipes and searching – there must be something else, because progress is slow. We have been stagnating for too long, and it really caught me there. So that was the trigger.

**WOODS:** Well, first of all, I'm thrilled to hear that. That's very kind of you to point out. I'm glad that it did some good in your case.

**SCHUMACHER:** It surely did.

**WOODS:** It was rough to write that book because I had to do it so quickly, but I'm glad the results –

**SCHUMACHER:** Oh, super fast, yeah.

**WOODS:** Yeah. I'm glad the results have been so good. So I want to go through and look at your heretical views here.

**SCHUMACHER:** Sure.

**WOODS:** Let's start with what will seem I think to most people the most shocking. When they use the term "social housing," is that a British term for public housing?

**SCHUMACHER:** Yeah, it's public housing. It's a whole system now of, let's say, the affordability system. It's a rationing of – What they're talking about now is 50% of all new built development in the residential space is meant to be rationed out with very heavy subsidies. Anywhere between 20% – that's the minimum – all the way to 50%, 60% subsidy, and distributed, rationed out to people who accumulate in queues. And it's very laborious and cumbersome for people to kind of line up into these queues. For each project they have to line up. And then it's distributed to groups which they call key workers and different groups in different projects. So it's difficult to criticize, because there's no general set of rules, policies. But that's what they call under the umbrella term, "social housing." It also includes partial subsidized, partial purchases to bring people into the so-called housing ladder. It includes just giveaways – rent-supported, cheaper rents, as well as just given away to people who don't have any income as well.

It's a very, very mixed field, and it's no longer all state-provided. So-called housing associations, which are charitable entities mostly, do get some government grants. But mostly it's financed through that other half of still privately sold and rented flats, and they in a sense carry the burden of these huge subsidies. So as we subsidize one group, you're burdening and making it more expensive for the rest, which means that we're increasing inaffordability through affordable housing. That's one of my points. And we push more people out of that private market, and that's what they've been doing then. They have also increased then the eligibility criterion, from, let's say, 50,000 pounds a year, now 60-, 70-, 80,000, and now it's at 90,000 pounds earning, which is a really good earning usually. With this kind of salary, you're still eligible. You still can now join that queue since this whole set of policies has made the apartments so much more expensive and turned you into some kind of recipient of a rationing process.

I'm just pointing out the irrationality of this, the way it contributes to the very crisis it's meant to ameliorate. But then I'm also pointing out all these supply restrictions,

planning restrictions, the political interference with the development process, the delays which come through this, which drive up prices.

**WOODS:** Okay, you know, maybe I spoke too soon when I said that's the most controversial position, because as I'm thinking about it, that may not in fact be. It turns out that even before this article in *The Guardian* where you really, really started getting some attention, there was – you've been quoted – people are going and finding what you're writing on Facebook and writing articles about it. So you apparently wrote something on Facebook about why we should not publicly fund art schools anymore and this should all be shut down. What is your justification for that? Apart from taxation is theft, what else do you have to say?

**SCHUMACHER:** Well, this was actually – when I always look at it, I look at it on two sides. One is the cost of these provisionings and the incentives they create, but also on the receiving end, a lot of these grants, I think they become – and subsidies – they become a poisoned chalice. And that's even for research grants, I would say, publicly granted research grants, grants for the arts, grants to art schools. In a way, they take the juice out of it and they kind of sedate it, kind of palliate it, they kind of poison the chalice.

So I think it's bad for the arts to be supported in this way, and in particular, what I was pointing out is the art world is a necessary element within contemporary society. It's the freewheeling, unrestrained, brainstorming chamber where new ideas, new technologies, half-finished and raw experiments can try out, somehow get resources, maybe through the private art market, maybe through mystification. But unrestrained. There is no rationality, precisely like in a brainstorming exercise. The arts depend on that total looseness, total freedom, this total freewheeling otherness to what one can justify at that stage, to have the mutation chamber, that browsing chamber to then come in and creative professionals who have rational agendas to select out the inspired – experience the reaction of audiences with respect to new aesthetics, for instance – and then make products out of this.

So that was a bit more complicated argument, but again, these arguments are sometimes subtle and complex, but what happens in the media – of course I get some interesting responses, but then I also get these kind of ripping out the headline and running with it and laughing at it as something absurd and indefensible, while I do have my reasoning and arguments.

And a similar thing, I would say what people don't understand, the argument about privatization of all public spaces, streets, parks, etc., that there is an argument to be had, that this is actually enhancing public space for the many publics in which contemporary society has differentiated itself, and that the current government through public provision of a one-fit-all, kind of banal and boring and maybe over-policed standard public space is a huge waste of resources, and we would expect the kind of flourish of this resource of public space if we had private entrepreneurs running with these spaces.

**WOODS:** All right, more with Patrick Schumacher after we thank our sponsor.

[Sponsored content]

Tell me right now what's wrong with architecture.

**SCHUMACHER:** [laughing] Well, architecture at the moment is stifled by planning bureaucracies. The development process is stifled by very old and restrictive land use plans. It's kind of stifled by the most ludicrously detailed standards about what a housing development should look like in terms of its quantum, in terms of its unit mix, in terms of how many apartments per core, the sizes of each type of dwelling, the size of each single room, and the facilities in each of those rooms. I mean, it's absolutely ludicrous. So basically, architects, there's nothing left for us to do, because the planners then also come in and want the aesthetic articulation to be prescribed so that it fits into a kind of an urban ensemble and so on and so forth.

And the developers, the entrepreneurs, they have nothing to compete on because everything is pre-given. What they're competing on in the end is only to try to kind of game those planners' rules or negotiate with planners, because in the UK, they have more discretion. They just give them more power. In America, at least you have some strict rules. There's zoning, there's city prescriptions, and then the entrepreneur and architect can run with this within that envelope. In the UK, you have to kind of negotiate and argue and this take an enormous amount of time. But it's not about innovating the product; it's all about maybe increasing the quantity a little bit, maybe getting the affordability component reduced a little bit. It's really stifling.

In London, we have 500 projects going up here and they're all cast in that same boring, deadly fashion, which is something we could have designed and built 80 years ago. I call it neorationalism. It's something very, very bland, very, very standard, which fits as kind of nonoffensive, and there's a huge opportunity loss in terms of generating vibrancy in this growing city. This is the fastest growing city in the world. As I said, we're building over 200 towers here at the moment and over 500 projects onsite, but it's kind of blandness. And it's not enough. There should be much more.

And the product is this one-fits-all, and only those entrepreneurs which I discovered — and we're working with one of them, this kind of guy in his 20s, who found that loophole for sort of multioccupancy homes and created this kind of shared living collective hub, where suddenly he's pretending he's building a single house with 500 bedrooms gathered around a series of living rooms, and then you're really talking about excitement. A new product. And it's very competitive and it shows how much craving there is in the market for something new, for something much smaller than what is prescribed as standards.

I mean, politicians think they can tell us that it is undignified to live in a certain amount of square meters. No, people feel in their bones that they want to be in the center and they're quite happy with a smaller patch. But you have this paternalistic view that we should prevent kind of the self-exploitation of professionals and prevent them from being kind of coerced, forced into chicken hatches or something. I mean, there is so much false ideology. It's so stifling. And that's why we as a London firm, we flourish all around the outside in the developing world where you don't have much of that yet and you have real entrepreneurship and real experimentation.

**WOODS:** After you gave that speech that got all this attention, I think it surprised you the scope and the extent of the response and the intensity of the response. You did

have some supporters, no doubt, but in your field certainly this was like you'd thrown a stink bomb into the room. And my sense is you didn't quite know where to go from there except to maybe keep your head down for a little while. But now all of a sudden, here you are on my show talking freely again. So what's changed?

**SCHUMACHER:** Well, look, I'm running this professional organization and we're depending on clients trusting us as being a safe pair of hands who is sensible to understand the rules of the game. So I felt a bit rattled when suddenly I'm the new Hitler, the new Trump where my picture appears with a mustache, a Hitler mustache. I'm called a fascist –

**WOODS:** But of course Hitler wanted urban planning.

**SCHUMACHER:** [laughing] Absolutely. I mean, it's all inverse. But the fascist labels and the defamation, this idea of being a persona non grata, of being attention-seeking is also this idea that you bring it on, you just want to provoke. None of this is true. I wanted to have a sensible conversation. I wanted to open up the debate. But there's so much kind of emotional charge and toxicity, so there I had to pull away a little bit. And also, my company, my people, my board of directors, they got a little bit rattled by it. But as the dust settled and I realized this is going to be news only once, I'm slowly coming out. And also, you see there is this kind of sense that I'm the only one thinking these things.

But a lot of people underneath – they might not be willing to say it. They know that these positions are offensive. But I got a lot of moral support in one-to-ones and message and, *Hey, Patrick, it's great that you finally said something about this. I feel like you understand where you're coming from.* So I got a lot of this support also. And slowly, as the big kind of Twitter and Facebook and media storm dust settled, I came out again and I was on various sides of conversations. I was giving lectures at debates without fearing that this was another news item. There had been a news item, so it's old news now, so I feel in a sense free to come out more again and get a sensible discourse going. That's what it is for me. I'm not into sensationalism of any kind.

**WOODS:** What would you say are any encouraging trends that you see?

**SCHUMACHER:** Well, in fact, I feel that, as I said earlier, there's a lot of people underneath the surface, there is willingness to criticize what's been going on. And people sense there's a lot of hypocrisy in the discourse and these kind of left-liberal views, the way they kind of shield themselves from criticism is becoming problematic. I also found it very positive that in universities, with the youth, you have for the first time interest in libertarian ideas and liberal ideas. The left isn't the only – still the majority option here, but it's not the only intellectual option, and that there's a real, serious, intellectual discourse happening which isn't tying in with all the left's ideological positions. So I think that's very positive, and I've seen that, and that's something new, and I think the Mises Institute and people like you have a lot to be thanked for in this direction, and I think that's encouraging.

And I think a lot of people sense also that this vilification of people who speak out is problematic. And I also had some others defending me publicly, maybe not my views directly, but saying, Hey, let these positions be heard. That doesn't mean this guy's

now a horrible nasty, Mr. Nasty and persona non grata. So I got a lot on that front. And there's a great organization here in London called the Institute of Ideas. They hosted the Battle of Ideas. They're really trying to roll back this kind of PC silencing of free speech, frankness. I think this ideology of over-fragility and safe places and no-platforming, that's crumbling. I see that crumbling. And I think it's interesting.

Still things happen – I saw your recent podcast, heard it, on the firing of that guy at Google who spoke out against a lot of these I think really questionable pro-diversity policies, and then this guy was fired. I think that's sort of a shame. I love Google. It's a fantastic organization. But I think that brought out a lot of voices against such an act. And I think it's positive. I think that left ideology is on its last legs, I think – at least I hope, at least in terms of being so dominant, being so untouchable. I think that's crumbling. That's crumbling as we speak.

**WOODS:** Do you have advice for young people entering your field?

**SCHUMACHER:** Well, it's an exciting field still. The world is developing. The organization process is going on around the world, and it's a global industry. It's an expert industry. So I think it's still an exciting place. I would say yes, don't be a traditionalist in the field. Invest in skills. We've been heavily investing in computational skills, computational methodologies, algorithmic working. AI is coming heavily into our field, evolutionary algorithms. It's exciting. It absorbs a lot of the tech intelligence. There's all sorts of new technologies, science, robotics. At that level, it's a very exciting field, but I suspect one should come in with an open mind but with the sense that this discipline and field is evolving and not so much, I would argue, with the sense of nostalgia for cozy village-cities, etc. That's still happening, as well. I mean, I'm not excluding that. Preservation is still ongoing. But we have preserved our historic centers already. That's all kind of covered.

So I would invite people in who have the excitement for transforming the urban environment, because we have this new wave of urban concentration, which I think has a lot to do with what I call the post-Fordist network society, where we have to concentrate in dense urban networks, where we interact a lot of research development work, creative work, marketing, financing, whereas actual downstream production is more and more taking place by robots and robotic automation. And we are in a city whose super brain is reprogramming and reinventing what the output of these production facilities should be, and that makes a city very exciting, because it becomes that creative hub. And it needs a lot of architects to build and rebuild and develop that, because we are in a transformation from this era of suburb organization of the 20th century, pulling that back together in these great metropolitan centers. And that's a huge task of urban restructuring.

**WOODS:** I appreciate that answer. I think I'm going to link to that *Guardian* article –

**SCHUMACHER:** Oh yeah.

**WOODS:** – on the show notes page, because I think my listeners will get a kick out of the sheer horror of the author [laughing].

**SCHUMACHER:** [laughing] I tell you, *The Guardian*, I used to be a *Guardian* reader, but it's getting worse and worse with this kind of — so biased, so ideologically charged up. And I was disappointed with the journalist. He's actually usually more moderate, but he has his audience to cater to. And I gave him a full three hours trying to lay out my reasoning, where I'm coming from, what my concerns are to prevent this kind of headline grabbing. But it didn't work.

**WOODS:** Yeah.

**SCHUMACHER:** He can't — he has something to deliver — he has an audience, maybe, who wants to be fed these enemies.

**WOODS:** Well, I've decided, after having been interviewed by *The Washington Post* and all these major places, I've decided I'm not doing that again if I'm asked unless I put them on here, I tell them I'm recording it, and I will use the interview as an episode of my podcast —

**SCHUMACHER:** Oh, that's great, yeah.

**WOODS:** — if they don't treat me fairly. I will say — I'll tell the world, This is what I actually said and you can hear it with your own ears.

**SCHUMACHER:** Exactly.

**WOODS:** Plus, I'm lazy. It gives me an extra episode of the podcast, so that also helps. Well, wonderful to talk to you. I'm glad you're speaking out. I mean, maybe you are going to inspire other people to be courageous. And what you're saying needs to be said. Man, these people live in such an echo chamber and they can't imagine living in a real world where there's a genuine exchange of ideas. I say let's usher them into that world, and you're doing a great job of that. Thanks so much.

**SCHUMACHER:** Thanks so much, Tom. This was a pleasure.