#### URBAN STUDIES & PLANNING

# Complex Adaptive Systems

Lecture 2

4.5.2022 Anssi Joutsiniemi



#### PLANNING AS LEARNING





# Planning and order

Emergence and Economic Behaviour

#### Emergence of urban orders (Webster & Lai 2004)

#### • Public domain order

• (patterns of rights imposed upon common resources)

#### • Organizatorial order

• (patterns of planned co-operation)

#### • Institutional order

• (patterns of rules and sanctions)

#### • Proprietary order

• (patterns of exclusive property rights)

#### • Spatial order

• (patterns of activities over space)



## Complexity economics @ SFI 1990's

- Rationality is bounded
- Information is incomplete
- Equilibrium is not achieved
- Reasoning is inductive
- Environment is changing

Related: Mitchell Waldrop (1993). Complexity - The Emerging Science at the Edge of Order and Chaos Murray Gell-Mann (1994). The Quark and the Jaguar: Adventures in the Simple and the Complex John Holland (1995). Hidden Order: How Adaptation Builds Complexity John Holland (1998). Emergence: From Chaos to Order Kauffman, Stuart (1993). The Origins of Order Casti, John (1994). Complexification



# Cost of co-operation

- R. Coase "Nature of Firm" (1937)
  - "size & existence of groups is based on costs of searching information to transact (exchange partners)"
- Costs of co-operation
  - Exclusion cost [to protect]
  - Transaction cost [to exchange]
  - Organization cost [to combine]
  - Governance cost [to set rules]
- Allocation of scarce resources
  - Money, time, space, material





# Complexity of Co-operation

# Prisoners' dilemma

- Classical example of bounded rationality in cooperation
- https://www.youtube.com/watch?v=jUTWcYXVR5w
- https://www.youtube.com/watch?v=t9Lo2fgxWHw



### Iterated Prisoner's dilemma

- Robert Axelrod: The Evolution of Cooperation
- https://www.youtube.com/watch?v=BOvAbjfJ0x0





# Conway: Game of Life (1970)

Transition rules of automaton:

- Any live cell with fewer than two neighbours dies, as if by loneliness.
- Any live cell with two or three neighbours lives, unchanged, to the next generation.
- Any live cell with more than three neighbours dies, as if by overcrowding.
- Any dead cell with exactly three neighbours comes to life.





#### W. Brian Arthur: "El Farol problem"

- 'Bounded rationality and inductive reasoning' (1994)
- Problem: Every Thursday night, a fixed population want to go have fun at the El Farol Bar, unless it's too crowded.
  - If **less than 60%** they'll all have more fun than if they stayed home.
  - If **more than 60%** they'll all have less fun than if they stayed home.
- Evolution based on strategy (RULE) & memory (DATA)
  - DOWNLOAD ARTICLE: <a href="http://tuvalu.santafe.edu/~wbarthur/Papers/El\_Farol.pdf">http://tuvalu.santafe.edu/~wbarthur/Papers/El\_Farol.pdf</a>
  - EXPLAINED Part 1: <a href="https://www.youtube.com/watch?v=2\_h0ot56YXE">https://www.youtube.com/watch?v=2\_h0ot56YXE</a>
  - EXPLAINED Part 2: <a href="https://www.youtube.com/watch?v=PJNmlfqh1J0">https://www.youtube.com/watch?v=PJNmlfqh1J0</a>
  - NETLOGO MODEL: https://www.youtube.com/watch?v=QB6GmQ2AK1o





# Accessibility landscape

Fundamental problem chicken-egg:

Does urban concentration create activities or activities concentrations.

- Accessibility as aspatial entity
- AlphaWorld (virtual world w/ teleportatition mobility)
- Find:
  - The origin



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- AlphaWorld (virtual world w/ teleportatition mobility)
- Find:
  - The origin
  - Diagonals



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- AlphaWorld (virtual world w/ teleportatition mobility)
- Find:
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- Accessibility as aspatial entity
- AlphaWorld (virtual world w/ teleportatition mobility)
- Find:
  - The origin
  - Diagonals
  - Sprawl
  - Polycentricity



- Accessibility as aspatial entity
- SecondLife
  - (virtual world w/ teleportatition mobility)







### Land use - transportation circle

• The fundamental problem







