For Gwen and Glenn

URBAN FORTUNES

THE POLITICAL ECONOMY OF PLACE

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The City as a Growth Machine

Traditional urban research has had little relevance to the day-to-day activities of the place-based elites whose priorities affect patterns of land use, public budgets, and urban social life. It has not even been apparent from much of the scholarship of urban social science that place is a market commodity that can produce wealth and power for its owners, and that this might explain why certain people take a keen interest in the ordering of urban life.

Research on local elites has been preoccupied with the question "Who governs?" (or "Who rules?"). Are the politically active citizens of a city split into diverse and competing interest groups, or are they members of a coordinated oligarchy? Empirical evidence of visible cleavage, such as disputes on a public issue, has been accepted as evidence of pluralistic competition (Banfield, 1961; Dahl, 1961). Signs of cohesion, such as common membership in voluntary and policy groups, have been used to support the alternative view (see Domhoff, 1970).

We believe that the question of who governs or rules has to be asked in conjunction with the equally central question "For what?" With rare exceptions (see Smith and Keller, 1983), one issue consistently generates consensus among local elite groups and separates them from people who use the city principally as a place to live and work: the issue of growth. For those who count, the city is a growth machine, one that can increase aggregate rents and trap related wealth for those in the right position to benefit. The desire for growth creates consensus among a wide range of

elite groups, no matter how split they might be on other issues. Thus the disagreement on some or even most public issues does not necessarily indicate any fundamental disunity, nor do changes in the number or variety of actors on the scene (what Clark [1968] calls "decentralization") affect the basic matter. It does not even matter that elites often fail to achieve their growth goal; with virtually all places in the same game, some elites will inevitably lose no matter how great their effort (Lyon et al., 1981; Krannich and Humphrey, 1983).

Although they may differ on which particular strategy will best succeed, elites use their growth consensus to eliminate any alternative vision of the purpose of local government or the meaning of community. The issues that reach public agendas (and are therefore available for pluralists' investigations) do so precisely because they are matters on which elites have, in effect, agreed to disagree (Molotch and Lester, 1974, 1975; see Schattschneider, 1960). Only under rather extraordinary circumstances is this consensus endangered.

For all the pluralism Banfield (1961) uncovered in Chicago, he found no disagreement with the idea that growth was good. Indeed, much of the dissension he did find, for example, on where to put the new convention center, was part of a dispute over how growth should be internally distributed. In his studies of cities on both sides of the southern U.S. border, D'Antonio found that when community "knowledgeables" were "asked to name the most pressing problems facing their respective cities," they cited finding sufficient water for both farming and urban growth (Form and D'Antonio, 1970:439). Whitt (1982) found that in formulating positions on California transportation policies, elites carefully coordinated not only the positions they would take but also the amount of money each would give toward winning relevant initiative campaigns. Thus on growth infrastructure, the elites were united.

Similarly, it was on the primacy of such growth and development issues that Hunter found Atlanta's elites to be most unified, both at the time of his first classic study and during its replication twenty years later (Hunter, 1953, 1980). Hunter (1953:214) reports, "They could speak of nothing else" (cited in Domhoff, 1983:169). In his historical profiles of Dallas and Fort Worth, Melosi (1983:175) concludes that "political power in Dallas and Fort Worth has typically been concentrated in the hands of those people most willing and able to sustain growth and expansion." Finally, even the ecologically oriented scholars with a different perspective, Berry and Kasarda (1977:371), have remarked, "If in the past urbanization has been governed by any conscious public objectives at all, these have been, on the one hand, to encourage growth, apparently for its own sake, and on the other hand, to provide public works and public welfare programs to support piecemeal, spontaneous development impelled primarily by private initiative." And even Hawley (1950:429) briefly departs from his tight ecological schema to remark that "competition is observable . . . in the struggle for transportation and communication advantages and superior services of all kinds; it also appears in efforts to accelerate rates of population growth."

All of this competition, in addition to its critical influence on what goes on *within* cities, also influences the distribution of populations throughout cities and regions, determining which ones grow and which do not. The incessant lobbying, manipulating, and cajoling can deliver the critical resources from which great cities are made. Although virtually all places are subject to the pervasive rule of growth boosters, places with more active and creative elites may have an edge over other areas. In a comparative study of forty-eight communities, Lyon et al. (1981) indeed found that cities with reputedly more powerful elites tended to have stronger growth rates. This may mean that active elites stimulate growth, or it may mean that strong growth emboldens elites to actively maintain their advantage. Although we suspect that both perspectives are valid, we stress that the activism of entrepreneurs is, and always has been, a critical force in shaping the urban system, including the rise and fall of given places.

Growth Machines in U.S. History

The role of the growth machine as a driving force in U.S. urban development has long been a factor in U.S. history, and is nowhere more clearly documented than in the histories of eighteenth- and nineteenth-century American cities. Indeed, although historians have chronicled many types of mass opposition to capitalist organization (for example, labor unions and the Wobblie movement), there is precious little evidence of resistance to the dynamics of value-free city building characteristic of the American past. In looking back we thus have not only the benefit of hindsight but also the advantage of dealing with a time in which "the interfusing of public and private prosperity" (Boorstin, 1965:116) was proudly proclaimed by town boosters and their contemporary chroniclers. The creators of towns and the builders of cities strained to use all the resources at their disposal, including crude political clout, to make great fortunes out of place. The "lively competitive spirit" of the western regions was, in Boorstin's view (1965:123), more "a competition among communities" than among individuals. Sometimes, the "communities" were merely subdivided parcels with town names on them, what Wade (1959) has called "paper villages," on whose behalf governmental actions could nonetheless be taken.[1] The competititon among them was primarily among growth elites.

These communities competed to attract federal land offices, colleges and academies, or installations such as arsenals and prisons as a means of stimulating development. These projects were, for many places, "the only factor that permitted them to outdistance less favored rivals with equivalent natural or geographic endowments" (Scheiber, 1962:136). The other important arena of competition was also dependent on government decision making and funding: the development of a transportation infrastructure that would give a locality better access to raw materials and markets. First came the myriad efforts to attract state and federal funds to link towns to waterways through canals. Then came efforts to subsidize and direct the paths of railroads (Glaab, 1962). Town leaders used their governmental authority to determine routes and subsidies, motivated by their private interest in rents.

The people who engaged in this city building have often been celebrated for their inspired vision and "absolute faith." One historian characterizes them as "ambitious, flamboyant, and imaginative" (Fuller, 1976:41). But more important than their person-

1. The same phenomenon is found today in Chicago suburbs formed principally to benefit from state fiscal codes.

alities, these urban founders were in the business of manipulating place for its exchange values. Their occupations most often were real estate or banking (Belcher, 1947). Even those who initially practiced law, medicine, or pharmacy were rentiers in the making. These professional roles became sidelines: "Physicians became merchants, clergymen became bankers, lawyers became manufacturers" (Boorstin, 1965:123). Especially when fortunes could be made from growth, the elite division of labor was overwhelmed and "specialized skills . . . had a new unimportance" (Boorstin, 1965:123). Speaking of the early settlers' acquisition of speculative lands through the preemption regulations of the 1862 Homestead Act, Leslie Decker remarks that "the early comers to any town—from lawyers to doctors to merchants, to just plain town developers—usually diversified in this fashion" (quoted in Wolf, 1981:52; see also Swierenga, 1966).

The city-building activities of these growth entrepreneurs in frontier towns became the springboard for the much celebrated taming of the American wilderness. As Wade (1959) has argued, the upstart western cities functioned as market, finance, and administrative outposts that made rural pioneering possible. This conquering of the West, accomplished through the machinations of "the urban frontier," was critically bound up with a coordinated effort to gain rents. In order for town leaders to achieve their goals, there was "ingenious employment of the instruments of political and economic leverage at [their] disposal" to build the cities and regions in which they had made investments (Scheiber, 1962:136).

Perhaps the most spectacular case of urban ingenuity was the Chicago of William Ogden. When Ogden came to Chicago in 1835, its population was under four thousand. He succeeded in becoming its mayor, its great railway developer, and the owner of much of its best real estate. As the organizer and first president of the Union Pacific (among other railroads) and in combination with his other business and civic roles, he was able to make Chicago (as a "public duty") the crossroads of America, and hence the dominant metropolis of the Midwest. Chicago became a crossroads not only because it was "central" (other places were also in the "middle") but because a small group of people (led by Ogden) had the power to literally have the roads cross in the spot they

chose. Ogden candidly reminisced about one of the real estate deals this made possible: "I purchased for $8,000, what 8 years thereafter, sold for 3 millions of dollars" (Boorstin, 1965:117). The Ogden story, Boorstin says (p. 118), "was re-enacted a thousand times all over America."

This tendency to use land and government activity to make money was not invented in nineteenth-century America, nor did it end then. The development of the American Midwest was only one particularly noticed (and celebrated) moment in the total process. One of the more fascinating instances, farther to the West and later in history, was the rapid development of Los Angeles, an anomaly to many because it had none of the "natural" features that are thought to support urban growth: no centrality, no harbor, no transportation crossroads, not even a water supply. Indeed, the rise of Los Angeles as the preeminent city of the West, eclipsing its rivals San Diego and San Francisco, can only be explained as a remarkable victory of human cunning over the so-called limits of nature. Much of the development of western cities hinged on access to a railroad; the termination of the first continental railroad at San Francisco, therefore, secured that city's early lead over other western towns. The railroad was thus crucial to the fortunes of the barons with extensive real estate and commercial interests in San Francisco—Stanford, Crocker, Huntington, and Hopkins. These men feared the coming of a second cross-country railroad (the southern route), for its urban terminus might threaten the San Francisco investments. San Diego, with its natural port, could become a rival to San Francisco, but Los Angeles, which had no comparable advantage, would remain forever in its shadow. Hence, the San Francisco elites used their economic and political power to keep San Diego from becoming the terminus of the southern route. As Fogelson (1967:51, 55) remarks, "San Diego's supreme asset, the bay, was actually its fatal liability," whereas the disadvantage of Los Angeles—"its inadequate and unprotected port—was its saving grace." Of course, Los Angeles won in the end, but here again the wiles of boosters were crucial: the Los Angeles interests managed to secure millions in federal funds to construct a port—today the world's largest artificial harbor—as well as federal backing to gain water (Clark, 1983:273, 274).

The same dynamic accounts for the other great harbor in the

Southwest. Houston beat out Galveston as the major port of Texas (ranked third in the country in 1979) only when Congressman Tom Ball of Houston successfully won, at the beginning of this century, a million-dollar federal appropriation to construct a canal linking landlocked Houston to the Gulf of Mexico (Kaplan, 1983:196). That was the crucial event that, capitalizing on Galveston's susceptibility to hurricanes, put Houston permanently in the lead.

In more recent times, the mammoth federal interstate highway system, hammered out by "a horde of special interests representing towns and cities" (Judd, 1983:173), has similarly made and unmade urban fortunes. To use one clear case, Colorado's leaders made Denver a highway crossroads by convincing President Eisenhower in 1956 to add three hundred miles to the system to link Denver to Salt Lake City by an expensive mountain route. A presidential stroke of the pen removed the prospects of Cheyenne, Wyoming, of replacing Denver as a major western transportation center (Judd, 1983:173). In a case reminiscent of the nineteenth-century canal era, the Tennessee-Tombigbee Waterway opened in 1985, dramatically altering the shipping distances to the Gulf of Mexico for many inland cities. The largest project ever built by the U.S. Corps of Engineers, the $2 billion project was questioned as a boondoggle in Baltimore, which will lose port business because of it (Maguire, 1985), but praised in Decatur, Alabama, and Knoxville, Tennessee, which expect to profit from it. The opening of the canal cut by four-fifths the distance from Chattanooga, Tennessee, to the Gulf, but did almost nothing for places like Minneapolis and Pittsburgh, which were previously about the same nautical distance from the Gulf as Chattanooga.

Despite the general hometown hoopla of boosters who have won infrastructural victories, not everyone gains when the structural speculators of a city defeat their competition. It is too easy, and misleading, to say that "the public benefits . . . because it got the railroads" (Grodinsky, as cited in Klein, 1970:294).[2] Given

2. We were struck by the naive wording used by one historian in commenting upon the life of an urban booster-lawyer: "*despite* [our emphasis] his extensive business career, Brice delved deeply into politics as well. His devotion to the State [Ohio] and its economic interests won him wide popularity there" (Klein, 1970:110).

the stakes, the rentier elites would obviously become engulfed by the "booster spirit." But despite the long-held supposition of an American "antiurban bias" (White and White, 1962), researchers have made little effort to question the linkage between public betterment and growth, even when they could see that specific social groups were being hurt. Zunz reports that in industrializing Detroit, city authorities extended utility service into uninhabitated areas to help development rather than into existing residential zones, whose working-class residents went without service even as they bore the costs (through taxes) of the new installations. There was a "bias in favor of speculators and against the working class" (Zunz, 1982:116). Even the great urban reformers, such as Detroit's Mayor Hazen Pingree, while working to change this "standard practice" for financing growth (Zunz, 1983:118), were doing so in order to increase the overall efficiencies of urban services and hence "engineer growth better" (Zunz, 1983:111). "Real estate specialists and builders were more involved in the city-building process," Zunz (1982:162) says, "than anybody else." Reviewing urbanization from 1850 to 1930, Lewis Mumford observed: "That a city had any other purpose than to attract trade, to increase land values, and to grow is something, if it uneasily entered the mind of an occasional Whitman, never exercised any hold on the minds of our countrymen" (quoted in Mollenkopf, 1983:14).

This is the consensus that must be examined, particularly in light of recent urban development. Let us turn now to a description of the ingenious modern incarnations of the growth machines and to an analysis of how they function, a task made more difficult for modern times because the crucial participants seldom speak so openly as did Mr. Ogden.

The Modern-day Good Business Climate

The jockeying for canals, railroads, and arsenals of the previous century has given way in this one to more complex and subtle efforts to manipulate space and redistribute rents. The fusing of public duty and private gain has become much less acceptable (both in public opinion and in the criminal courts); the replacing of frontiers by complex cities has given important roles to mass media, urban professionals, and skilled political entrepreneurs. The growth machine is less personalized, with fewer local heroes, and has become instead a multifaceted matrix of important social institutions pressing along complementary lines.

With a transportation and communication grid already in place, modern cities typically seek growth in basic economic functions, particularly job intensive ones. Economic growth sets in motion the migration of labor and a demand for ancillary production services, housing, retailing, and wholesaling ("multiplier effects"). Contemporary places differ in the type of economic base they strive to build (for example, manufacturing, research and development, information processing, or tourism). But any one of the rainbows leads to the same pot of gold: more intense land use and thus higher rent collections, with associated professional fees and locally based profits.

Cities are in a position to affect the "factors of production" that are widely believed to channel the capital investments that drive local growth (Hawley, 1950; Summers et al., 1976). They can, for example, lower access costs of raw materials and markets through the creation of shipping ports and airfields (either by using local subsidies or by facilitating state and federal support). Localities can decrease corporate overhead costs through sympathetic policies on pollution abatement, employee health standards, and taxes. Labor costs can be indirectly lowered by pushing welfare recipients into low-paying jobs and through the use of police to constrain union organizing. Moral laws can be changed; for example, drinking alcohol can be legalized (as in Ann Arbor, Mich., and Evanston, Ill.) or gambling can be promoted (as in Atlantic City, N.J.) to build tourism and convention business. Increased utility costs caused by new development can be borne, as they usually are (see, for an example, Ann Arbor, Michigan, Planning Department, 1972), by the public at large rather than by those responsible for the "excess" demand they generate. Federally financed programs can be harnessed to provide cheap water supplies; state agencies can be manipulated to subsidize insurance rates; local political units can forgive business property taxes. Government installations of various sorts (universities, military bases) can be used to leverage additional development by guaranteeing the presence of skilled labor, retailing customers, or proximate markets for subcontractors. For some analytical purposes, it doesn't even matter that a number of these factors have little bearing on corporate locational decisions (some certainly do; others are debated); just the *possibility* that they might matter invigorates local growth activism (Swanstrom, 1985) and dominates policy agendas.

Following the lead of St. Petersburg, Florida, the first city to hire a press agent (in 1918) to boost growth (Mormino, 1983: 150), virtually all major urban areas now use experts to attract outside investment. One city, Dixon, Illinois, has gone so far as to systematically contact former residents who might be in a position to help (as many as twenty thousand people) and offer them a finder's fee up to $10,000 for directing corporate investment toward their old home town (*San Francisco Chronicle*, May 10, 1984). More pervasively, each city tries to create a "good business climate." The ingredients are well known in city-building circles and have even been codified and turned into "official" lists for each regional area. The much-used Fantus rankings of business climates are based on factors like taxation, labor legislation, unemployment compensation, scale of government, and public indebtedness (Fantus ranks Texas as number one and New York as number forty-eight). In 1975, the Industrial Development Research Council, made up of corporate executives responsible for site selection decisions, conducted a survey of its members. In that survey, states were rated more simply as "cooperative," "indifferent," or "antigrowth"; the results closely paralleled the Fantus rankings of the same year (Weinstein and Firestine, 1978: 134–44).

Any issue of a major business magazine is replete with advertisements from localities of all types (including whole countries) striving to portray themselves in a manner attractive to business. Consider these claims culled from one issue of *Business Week* (February 12, 1979):

> New York City is open for business. No other city in America offers more financial incentives to expand or relocate. . . .

The state of Louisiana advertises

> Nature made it perfect. We made it profitable.

On another page we find the claim that "Northern Ireland works" and has a work force with "positive attitudes toward company loyalty, productivity and labor relations." Georgia asserts, "Government should strive to improve business conditions, not hinder them." Atlanta headlines that as "A City Without Limits" it "has ways of getting people like you out of town" and then details its transportation advantages to business. Some places describe attributes that would enhance the life style of executives and professional employees (not a dimension of Fantus rankings); thus a number of cities push an image of artistic refinement. No advertisements in this issue (or in any other, we suspect) show city workers living in nice homes or influencing their working conditions.

While a good opera or ballet company may subtly enhance the growth potential of some cities, other cultural ingredients are crucial for a good business climate. There should be no violent class or ethnic conflict (Agger, Goldrich, and Swanson, 1964:649; Johnson, 1983:250–51). Rubin (1972:123) reports that racial confrontation over school busing was sometimes seen as a threat to urban economic development. Racial violence in South Africa is finally leading to the disinvestment that reformers could not bring about through moral suasion. In the good business climate, the work force should be sufficiently quiescent and healthy to be productive; this was the rationale originally behind many programs in work place relations and public health. Labor must, in other words, be "reproduced," but only under conditions that least interfere with local growth trajectories.

Perhaps most important of all, local publics should favor growth and support the ideology of value-free development. This public attitude reassures investors that the concrete enticements of a locality will be upheld by future politicians. The challenge is to connect civic pride to the growth goal, tying the presumed economic and social benefits of growth in general (Wolfe, 1981) to growth in the local area. Probably only partly aware of this, elites generate and sustain the place patriotism of the masses. According to Boorstin, the competition among cities "helped create the booster spirit" as much as the booster spirit helped create the cities (1965:123). In the nineteenth-century cities, the great rivalries over canal and railway installations were the political spectacles

of the day, with attention devoted to their public, not private, benefits. With the drama of the new railway technology, ordinary people were swept into the competition among places, rooting for their own town to become the new "crossroads" or at least a way station. "The debates over transportation," writes Scheiber (1962:143), "heightened urban community consciousness and sharpened local pride in many western towns."

The celebration of local growth continues to be a theme in the culture of localities. Schoolchildren are taught to view local history as a series of breakthroughs in the expansion of the economic base of their city and region, celebrating its numerical leadership in one sort of production or another; more generally, increases in population tend to be equated with local progress. Civic organizations sponsor essay contests on the topic of local greatness. They encourage public celebrations and spectacles in which the locality name can be proudly advanced for the benefit of both locals and outsiders. They subsidize soapbox derbies, parade floats, and beauty contests to "spread around" the locality's name in the media and at distant competitive sites.

One case can illustrate the link between growth goals and cultural institutions. In the Los Angeles area, St. Patrick's Day parades are held at four different locales, because the city's Irish leaders can't agree on the venue for a joint celebration. The source of the difficulty (and much acrimony) is that these parades march down the main business streets in each locale, thereby making them a symbol of the life of the city. Business groups associated with each of the strips want to claim the parade as exclusively their own, leading to charges by still a fifth parade organization that the other groups are only out to "make money" (McGarry, 1985:II:1). The countercharge, vehemently denied, was that the leader of the challenging business street was not even Irish. Thus even an ethnic celebration can receive its special form from the machinations of growth interests and the competitions among them.

The growth machine avidly supports whatever cultural institutions can play a role in building locality. Always ready to oppose cultural and political developments contrary to their interests (for example, black nationalism and communal cults), rentiers and their associates encourage activities that will connect feelings of community ("we feelings" [McKenzie, 1922]) to the goal of local growth. The overall ideological thrust is to deemphasize the connection between growth and exchange values and to reinforce the link between growth goals and better lives for the majority. We do not mean to suggest that the only source of civic pride is the desire to collect rents; certainly the cultural pride of tribal groups predates growth machines. Nevertheless, the growth machine coalition mobilizes these cultural motivations, legitimizes them, and channels them into activites that are consistent with growth goals.

The Organization of the Growth Coalition

The people who use their time and money to participate in local affairs are the ones who—in vast disproportion to their representation in the population—have the most to gain or lose in land-use decisions. Local business people are the major participants in urban politics (Walton, 1970), particularly business people in property investing, development, and real estate financing (Spaulding, 1951; Mumford, 1961). Peterson (1981:132), who applauds growth boosterism, acknowledges that "such policies are often promulgated through a highly centralized decision-making process involving prestigious businessmen and professionals. Conflict within the city tends to be minimal, decision-making processes tend to be closed." Elected officials, says Stone (1984:292), find themselves confronted by "a business community that is well-organized, amply supplied with a number of deployable resources, and inclined to act on behalf of tangible and ambitious plans that are mutually beneficial to its own members."

Business people's continuous interaction with public officials (including supporting them through substantial campaign contributions) gives them *systemic* power (Alford and Friedland, 1975; Stone, 1981, 1982). Once organized, they stay organized. They are "mobilized interests" (Fainstein, Fainstein, and Armistead, 1983:214). Rentiers need local government in their daily money-making routines, especially when structural speculations are involved. They are assisted by lawyers, syndicators, and property

brokers (Bouma, 1962), who prosper as long as they can win decisions favoring their clients. Finally, there are monopolistic business enterprises (such as the local newspaper) whose futures are tied to the growth of the metropolis as a whole, although they are not directly involved in land use. When the local market is saturated with their product, they have few ways to increase profits, beyond expansion of their surrounding area. As in the proverbial Springdale, site of the classic Vidich and Bensman (1960:216) ethnography of a generation ago, there is a strong tendency in most cities for "the professionals (doctors, teachers, dentists, etc.), the industrial workers, the shack people and the lower middle-class groups [to be] for all intents and purposes disenfranchised except in terms of temporary issues."

Because so much of the growth mobilization effort involves government, local growth elites play a major role in electing local politicians, "watchdogging" their activities, and scrutinizing administrative detail. Whether in generating infrastructural resources, keeping peace on the home front, or using the city mayor as an "ambassador to industry" (Wyner, 1967), local government is primarily concerned with increasing growth. Again, it is not the only function of local government, but it is the key one.

In contrast to our position, urban social scientists have often ignored the politics of growth in their work, even when debates over growth infrastructures were the topic of their analyses (see Banfield, 1961; Dahl, 1961). Williams and Adrian (1963) at least treat growth as an important part of the local political process, but give it no priority over other government issues. There are a number of reasons why growth politics is consistently undervalued. The clue can be found in Edelman's (1964) distinction between two kinds of politics.

The first is the "symbolic" politics of public morality and most of the other "big issues" featured in the headlines and editorials of the daily press: school prayer, wars on crime, standing up to communism, and child pornography, for example. News coverage of these issues may have little to do with any underlying reality, much less a reality in which significant local actors have major stakes. Fishman (1978) shows, for example, that reports of a major crime wave against the elderly in New York City appeared just at a time when most crimes against the elderly were actually on the decline. The public "crime wave" was created by police officials who, in responding to reporters' interest in the topic, provided "juicy" instances that would make good copy. The "crime wave" was sustained by politicians eager to denounce the perpetrators, and these politicians' pronouncements became the basis for still more coverage and expressions of authoritative police concern. Once this symbiotic "dance" (Molotch, 1980) is in motion, the story takes on a life of its own, and fills the pages and airwaves of news media. Such symbolic crusades provide the "easy news" (Gordon, Heath, and leBailly, 1979) needed by reporters pressed for time, just as these crusades satisfy the "news needs" (Molotch and Lester, 1974) of politicians happy to stay away from issues that might offend growth machine interests. The resulting hubbubs often mislead the general public as well as the academic investigator about what the real stuff of community cleavage and political process might be. To the degree that rentier elites keep growth issues on a symbolic level (for example, urban "greatness"), they prevail as the "second face of power" (Bachrach and Baratz, 1962), the face that determines the public agenda (McCombs and Shaw, 1972).

Edelman's second kind of politics, which does not provide easy news, involves the government actions that affect the distribution of important goods and services. Much less visible to publics, often relegated to back rooms or negotiations within insulated authorities and agencies (Caro, 1974; Friedland, Piven, and Alford, 1978), this is the politics that determines who, in material terms, gets what, where, and how (cf. Lasswell, 1936). The media tend to cover it as the dull round of meetings of water and sewer districts, bridge authorities, and industrial development bonding agencies. The media attitude serves to keep interesting issues away from the public and blunt widespread interest in local politics generally. As Vidich and Bensman (1960:217) remark about Springdale, "business control rests upon a dull but unanimous political facade," at least on certain key issues.

Although there are certainly elite organizational mechanisms to inhibit them (Domhoff, 1971, 1983; Whitt, 1982), cleavages within the growth machine can nevertheless develop, and internal disagreements sometimes break into the open. But even then, because of the hegemony of the growth machine, *its* disagreements are allowable and do not challenge the belief in growth itself. Unacceptable are public attacks on the pursuit of exchange values over citizens' search for use value. An internal quarrel over where a convention center is to be built, Banfield (1961) shows us, becomes the public issue for Chicago; but Banfield didn't notice that there was no question about whether there should be a convention center at all.

When elites come to see, for example, that inadequate public services are repelling capital investment, they can put the issue of raising taxes on the public agenda. Trillin (1976:154) reports on Rockford, Illinois, a city whose school system was bankrupted by an antitax ideology. Initially, local elites opposed taxes as part of their efforts to lure industry through a low tax rate. As a result, taxes, and therefore tax money for schools, declined. Eventually, the growth coalition saw the educational decline, not the tax rate, as the greatest danger to the "economic vitality of the community." But ironically, elites are not able to change overnight the ideologies they have put in place over decades, even when it is in their best interests to do so.[3] Unfortunately, neither can the potential *opponents* of growth. As the example of Rockford shows, even such issues as public school spending can become subject to the growth maximization needs of locality. The appropriate level of a social service often depends, not on an abstract model of efficiency or on "public demand" (cf. Tiebout, 1956), but on whether the cost of that service fits the local growth strategy (past and present).

By now it should be clear how political structures are mobilized to intensify land uses for private gain of many sorts. Let us look more closely, therefore, at the various local actors, besides those directly involved in generating rents, who participate in the growth machine.

3. Trillin remarks that rejection of high taxes by the citizens of Rockford is "consistent with what the business and industrial leadership of Rockford has traditionally preached. For years, the industrialists were considered to be in complete control of the sort of local government industrialists traditionally favor—a conservative, relatively clean administration committed to the proposition that the highest principle of government is the lowest property tax rate" (Trillin, 1976:150).

Politicians

The growth machine will sustain only certain persons as politicians. The campaign contributions and public celebrations that build political careers do not ordinarily come about because of a person's desire to save or destroy the environment, to repress or liberate the blacks or other disadvantaged groups, to eliminate civil liberties or enhance them. Given their legislative power, politicians may end up doing any of these things. But the underlying politics that gives rise to such opportunities is a person's participation in the growth consensus. That is why we so often see politicians springing into action to attract new capital and to sustain old investments. Even the pluralist scholar Robert Dahl observed in his New Haven study that if an employer seriously threatened to leave the community, "political leaders are likely to make frantic attempts to make the local situation more attractive" (quoted in Swanstrom, 1981:50).

Certainly, politicians differ in a number of ways. Like Mayor Ogden of Chicago, some are trying to create vast fortunes for themselves as they go about their civic duties on behalf of the growth machine. Robert Folson, the mayor of Dallas, has direct interests in over fifty local businesses, many of which have stakes in local growth outcomes. When the annexation of an adjacent town came up for a vote, he had to abstain because he owned 20 percent of it (Fullinwider, 1980). Another Texan, former governor John Connally, has among his holdings more than $50 million in Austin-area real estate, property slated to become its county's largest residential and commercial development ("Austin Boom," *Santa Barbara News Press,* June 24, 1984, p. B-8). According to Robert Caro (1974), Commissioner Robert Moses was able to overcome opposition to his vast highway and bridge building in the New York City area in part because the region's politicians were themselves buying up land adjacent to parkway exits, setting themselves up for huge rent gains. Most of Hawaii's major Democrat politicians, after winning election on a reform platform in 1954, directly profited as developers, lawyers, contractors, and investors through the zoning and related land-use decisions they and their colleagues were to make over the next thirty years of intensive growth and speculation (Daws and Cooper, 1984). Machine politics never insulated candidates from the development process; builders, railroaders, and other growth activists have long played crucial roles in boss politics, both in immigrant wards (Bell, 1961) and in WASP suburbs (Fogelson, 1967:207). All this is, as George Washington Plunkitt said in 1905, "honest graft" as opposed to "dishonest graft" (quoted in Swanstrom, 1985:25).[4]

Although a little grease always helps a wheel to turn, a system can run well with no graft at all—unless using campaign contributions to influence elections is considered graft. Virtually all politicians are dependent on private campaign financing (Alexander, 1972, 1980, 1983; Boyarsky and Gillam, 1982; Smith, 1984), and it is the real estate entrepreneurs—particularly the large-scale structural speculators—who are particularly active in supporting candidates (see chapter 6 for additional documentation). The result is that candidates of both parties, of whatever ideological stripe, have to garner the favor of such persons, and this puts them squarely into the hands of growth machine coalitions. Thus many officeholders use their authority, not to enrich themselves, but to benefit the "whole community"—that is, to increase aggregate rents. Again, this does not preclude politicians' direct participation in property dealing on occasion and it certainly does not preclude giving a special hand to particular place entrepreneurs with whom a politician has a special relationship.

Elected officials also vary in their perception of how their authority can best be used to maximize growth. After his thorough study of the Cleveland growth machine, Swanstrom (1985) concluded that there are two types of growth strategists: the "conservative" and the "liberal." The former, paramount during the city's age of steel, favor unbridled exploitation of the city and its labor force, generally following the "free economy" political model. Programs of overt government intervention, for purposes of planning, public education, or employee welfare, are all highly suspect. The liberal growth machine strategy, in contrast, acknowledges that longer-term growth can be facilitated by overt

4. Local planning officials also sometimes get in on some of the corruption; they may make real estate investments of their own. Los Angeles Planning Director Calvin Hamilton was pressured to resign after twenty years on the job in part because of revelations that he accepted free rent from developers for a side business and had other conflicts of interest (Clifford, 1985d).

government planning and by programs that pacify, co-opt, and placate oppositions. This is a more modern form of growth ideology. Some politicians, depending on place and time, tend to favor the hard-line "unfettered capitalism" (Wolfe, 1981); others prefer the liberal version, analogous to what is called, in a broader context, "pragmatic state capitalism" (Wolfe, 1981; see also Weinstein, 1968). These positions became more obvious in many regions when urban renewal and other federal programs began penetrating cities in the postwar period. Especially in conservative areas such as Texas (Melosi, 1983:185), elites long debated among themselves whether or not the newfangled growth schemes would do more harm than good.

On the symbolic issues, politicians may also differ, on both the content of their positions and the degree to which they actually care about the issues. Some are no doubt sincere in pushing their "causes"; others may cynically manipulate them to obscure the distributional consequences of their own actions in other matters. Sometimes the results are positive, for example, when Oklahoma City and Dallas leaders made deliberate efforts to prevent racist elements from scaring off development with "another Little Rock." Liberal growth machine goals may thus help reform reactionary social patterns (Bernard, 1983:225; Melosi, 1983:188). But despite these variations, there appears to be a "tilt" to the whole system, regardless of time and place. Growth coalition activists and campaign contributors are not a culturally, racially, or economically diverse cross section of the urban population. They tend to give a reactionary texture to local government, in which the cultural crusades, like the material ones, are chosen for their acceptability to the rentier groups. Politicians adept in both spheres (material and symbolic) are the most valued, and most likely to have successful careers. A skilled politician delivers growth while giving a good circus.

The symbolic political skills are particularly crucial when unforeseen circumstances create use value crises, which can potentially stymie a locality's basic growth strategy. The 1978 Love Canal toxic waste emergency at Niagara Falls, New York, reveals how local officials use their positions to reassure the citizens and mold local agendas to handle disruptive "emotional" issues. In her

detailed ethnographic account, Levine (1982:59) reports that "the city's chief executives, led by the mayor, minimized the Love Canal problem in all public statements for two years no matter how much personal sympathy they felt for the affected people whose health was threatened by the poisons leaking into their homes" (see also Fowlkes and Miller, 1985). Lester (1971) reports a similar stance taken by the Utah civic leadership in response to the escape of nerve gas from the U.S. military's Dugway Proving Grounds in 1969 (see also Hirsch, 1969). The conduct of politicians in the face of accidents like the leakage of poison into schoolyards and homes in Niagara Falls or the sheep deaths in Utah reveal this "backup" function of local leaders (Molotch and Lester, 1974, 1975).

Still another critical use of local politicians is their ability to influence higher-level political actors in their growth distribution decisions. Although capital has direct links to national politicians (particularly in the executive office and Senate, see Domhoff [1967, 1970, 1983]), rentier groups are more parochial in their ties, although they may have contact with congressional representatives. Hence, rentiers need local politicians to lobby national officials. The national politicians, in turn, are responsive because they depend on local political operators (including party figures) for their own power base. The local politicians symbiotically need their national counterparts to generate the goods that keep them viable at home.

The goods that benefit the local leaders and growth interests are not trivial. The develoment of the Midwest was, as the historical anecdotes make clear, dependent on national decisions affecting canal and railroad lines. The Southwest and most of California could be developed only with federal subsidies and capital investments in water projects. The profound significance of government capital spending can be grasped by considering one statistic: Direct government outlays (at all levels) in 1983 accounted for nearly 27 percent of all construction in the United States (Mollenkopf, 1983:43). The figure was even higher, of course, during World War II, when federal construction expenditures laid the basis for much of the infrastructural and defense spending that was to follow.

Local Media

One local business takes a broad responsibility for general growth machine goals—the metropolitan newspaper. Most newspapers (small, suburban papers are occasionally an exception) profit primarily from increasing their circulation and therefore have a direct interest in growth.[5] As the metropolis expands, the newspaper can sell a larger number of ad lines (at higher per line cost), on the basis of a rising circulation base; TV and radio stations are in a similar situation. In explaining why his newspaper had supported the urbanization of orchards that used to cover what is now the city of San Jose, the publisher of the *San Jose Mercury News* said, "Trees do not read newspapers" (Downie, 1974:112, as cited in Domhoff, 1983:168). Just as newspaper boosterism was important in building the frontier towns (Dagenais, 1967), so today "the hallmark of media content has been peerless boosterism: congratulate growth rather than calculate consequences; compliment development rather than criticize its impact" (Burd, 1977:129; see also Devereux, 1976; Freidel, 1963). The media "must present a favorable image to outsiders" (Cox and Morgan, 1973:136),[6] and only "sparingly use their issue-raising capacities" (Peterson, 1981:124).

American cities tend to be one-newspaper (or one-newspaper company) towns. The newspaper's assets in physical plant, in "good will," and in advertising clients are, for the most part, immobile. The local newspaper thus tends to occupy a unique position: like many other local businesses, it has an interest in growth, but unlike most others, its critical interest is not in the specific spatial pattern of that growth. The paper may occasionally help forge a specific strategy of growth, but ordinarily it makes little difference to a newspaper whether the additional population comes to reside on the north side or the south side, or whether the new business comes through a new convention center or a new olive factory. The newspaper has no ax to grind except the one that holds the community elite together: growth.

This disinterest in the specific form of growth, but avid commitment to development generally, enables the newspaper to achieve a statesmanlike position in the community. It is often deferred to as a neutral party by the special interests. In his pioneering study of the creation of zoning laws in New York City in the 1920s, Makielski (1966:149) remarks, "While the newspapers in the city are large landholders, the role of the press was not quite like that of any of the other nongovernmental actors. The press was in part one of the referees of the rules of the game, especially the informal rules, calling attention to what it considered violations." The publisher or editor is often the arbiter of internal growth machine bickering, restraining the short-term profiteers in the interest of more stable, long-term, and properly planned growth.

The publishing families are often ensconced as the most important city builders within the town or city; this is the appropriate designation for such prominent families as Otis and Chandler of the *Los Angeles Times* (see Clark, 1983:271; Halberstam, 1979); Pulliam of the *Arizona Republic* and *Phoenix Sun* (see Luckingham, 1983:318); and Gaylord of the *Daily Oklahoman* (see Bernard, 1983:216). Sometimes these publishers are directly active in politics, "kingmaking" behind the scenes by screening candidates for political office, lobbying for federal contracts and grants, and striving to build growth infrastructure in their region (Fainstein, Fainstein, and Armistead, 1983:217; Judd, 1983:178). In the booming Contra Costa County suburbs of the San Francisco Bay Area, the president of the countywide organization of builders, real estate investors, and property financiers was the owner of the regional paper. In his home county, as well as in the jurisdictions of his eleven other suburban papers, owner Dean Lesher ("Citizen Lesher") acts as "a cheerleader for development" who simply kills stories damaging to growth interests and reassigns unsympathetic reporters to less controversial beats (Steidtmann, 1985). The local newspaper editor was one of the three "bosses"

5. Although many suburban newspapers encourage growth, especially of tax-generating businesses, the papers of exclusive suburban towns may instead try to guard the existing land-use patterns and social base of their circulation area. Rudel (1983:104) describes just this sort of situation in Westport, Connecticut. There are a number of reasons for this occasional deviation from the rule we are proposing. When trying to attract advertising dollars, newspapers prefer a small, rich readership to a larger but poorer one. Maintaining exclusivity is itself occasionally a growth strategy for smaller communities. Opposition to growth in these cases is consistent with the desires of local elites.

6. Cox and Morgan's study of British local newspapers indicates that the booster role of the press is not unique to the United States.

in Springdale's "invisible government" (Vidich and Bensman, 1960:217). Sometimes, the publisher is among the largest urban landholders and openly fights for benefits tied to growth in land: The owners of the *Los Angeles Times* fought for the water that developed their vast properties for both urban and agricultural uses. The editorial stance is usually reformist, invoking the common good (and technical planning expertise) as the rationale for the land-use decisions the owners favor. This sustains the legitimacy of the paper itself among all literate sectors of society and helps mask the distributive effects of many growth developments.

The media attempt to attain their goals not only through news articles and editorials but also through informal talks between owners and editors and the local leaders. Because newspaper interests are tied to growth, media executives are sympathetic to business leaders' complaints that a particular journalistic investigation or angle may be bad for the local business climate, and should it nevertheless become necessary, direct threats of advertising cancellation can modify journalistic coverage (Bernard, 1983:220). This does not mean that newspapers (or advertisers) control the politics of a city or region, but that the media have a special influence simply because they are committed to growth per se, and can play an invaluable role in coordinating strategy and selling growth to the public.

This institutional legitimacy is especially useful in crises. In the controversy surrounding the army's accidental release of nerve gas at the Dugway Proving Grounds, Lester found that the Utah media were far more sympathetic to the military's explanations than were media outside Utah (Lester, 1971). The economic utility of the Dugway Proving Grounds (and related government facilities) was valued by the local establishment. Similarly, insiders report that publicizing toxic waste problems at Love Canal was hindered by an "unwritten law" in the newsroom that "a reporter did not attack or otherwise fluster the Hooker [Chemical Company] executives" (Brown, 1979, cited in Levine, 1982:190).

As these examples indicate, a newspaper's essential role is not to protect a given firm or industry (an issue more likely to arise in a small city than a large one) but to bolster and maintain the predisposition for general growth. Although newspaper editorialists may express concern for "the ecology," this does not prevent them from supporting growth-inducing investments for their regions. The *New York Times* likes office towers and additional industrial installations in the city even more than it loves "the environment." Even when historically significant districts are threatened, the *Times* editorializes in favor of intensification. Thus the *Times* recently admonished opponents to "get out of the way" of the Times Square renewal, which would replace landmark structures (including its own former headquarters at 1 Times Square) with huge office structures (*New York Times*, May 24, 1984, p. 18). Similarly, the *Los Angeles Times* editorializes against narrow-minded profiteering that increases pollution or aesthetic blight—in other cities. The newspaper featured criticism, for example, of the Times Square renewal plan (Kaplan, 1984:1), but had enthusiastically supported development of the environmentally devastating supersonic transport (SST) for the jobs it would presumably lure to Southern California. In an unexpected regional parallel, the *Los Angeles Times* fired celebrated architectural critic John Pastier for his incessant criticisms of Los Angeles's downtown renewal projects (Clark, 1983:298), and the *New York Times* dismissed Pulitzer Prize winner Sydney Schanberg as a columnist apparently because he "opposed civic projects supported by some of New York's most powerful interests, particularly those in the real estate industry" (Rosenstiel, 1985:21).

Although newspapers may openly support "good planning principles" of a certain sort, the acceptable form of "good planning" does not often extend to limiting growth or authentic conservation in a newspaper's home ground. "Good planning principles" can easily represent the opposite goals.

Utilities

Leaders of "independent" public or quasi-public agencies, such as utilities, may play a role similar to that of the newspaper publisher: tied to a single locale, they become growth "statesmen" rather than advocates for a certain type of growth or intralocal distribution of growth.

For example, a water-supplying agency (whether public or private) can expand only by acquiring more users. This causes utilities to penetrate deep into the hinterlands, inefficiently extending lines to areas that are extremely costly to service (Gaffney, 1961; Walker and Williams, 1982). The same growth goals exist within central cities. Brooklyn Gas was an avid supporter of the movement of young professionals into abandoned areas of Brooklyn, New York, in the 1970s, and even went so far as to help finance housing rehabilitation and sponsor a traveling slide show and open houses displaying the pleasant life styles in the area. All utilities seem bent on acquiring more customers to pay off past investments, and on proving they have the good growth prospects that lenders use as a criterion for financing additional investments. Overall efficiencies are often sacrificed as a result.

Transportation officials, whether of public or private organizations, have a special interest in growth: they tend to favor growth along their specific transit routes. But transportation doesn't just serve growth, it creates it. From the beginning, the laying-out of mass transit lines was a method of stimulating development; indeed, the land speculators and the executives of the transportation firms were often the same people. In part because of the salience of land development, "public service was largely incidental to the operation of the street railways" (Wilcox, quoted in Yago, 1983:44). Henry Huntington's Pacific Electric, the primary commuting system of Los Angeles, "was built not to provide transportation but to sell real estate" (Clark, 1983:272; see also Binford, 1985; Fogelson, 1967; Yago, 1983). And because the goal of profitable transportation did not guide the design and routing of the system, it was destined to lose money, leaving Los Angeles without a viable transit system in the end (Fogelson, 1967).

Transit bureaucrats today, although not typically in the land business, function as active development boosters; only in that way can more riders be found to support their systems and help pay off the sometimes enormous debts incurred to construct or expand the systems. On the national level, major airlines develop a strong growth interest in the development of their "hub" city and the network it serves. Eastern Airlines must have growth in Miami, Northwest Airlines needs development in Minneapolis, and American Airlines rises or falls with the fortunes of Dallas-Fort Worth.

Auxiliary Players

Although they may have less of a stake in the growth process than the actors described above, certain institutions play an auxiliary role in promoting and maintaining growth. Key among these auxiliary players are the cultural institutions in an area: museums, theaters, universities, symphonies, and professional sports teams. An increase in the local population may help sustain these institutions by increasing the number of clients and support groups. More important, perhaps, is that such institutions often need the favor of those who are at the heart of local growth machines—the rentiers, media owners, and politicians, who can make or break their institutional goals. And indeed, cultural institutions do have something to offer in return.

Universities

The construction and expansion of university campuses can stimulate development in otherwise rural landscapes; the land for the University of California at Los Angeles (UCLA) was originally donated for a state normal school in 1881 "in order to increase the value of the surrounding real estate" (Clark, 1983:286). Other educational institutions, particularly the University of California campuses at Irvine and Santa Barbara, had similar origins, as did the State University of New York at Stony Brook and the University of Texas at San Antonio (Johnson, 1983). Building a university campus can be the first step in rejuvenating a deteriorated inner-city area; this was the case with the Chicago branch of the University of Illinois (Banfield, 1961), the expansions of Yale University in New Haven (Dahl, 1961; Domhoff, 1978), and the University of Chicago (Rossi and Dentler, 1961). The use of universities and colleges as a stimulus to growth is often made explicit by both the institution involved and the local civic boosters.

The symbiotic relationship between universities and local development intensified in the 1980s. Drawing on the precedent of Silicon Valley (with Stanford University as its intellectual center) and Route 128, the high-tech highway, in the Boston area (with MIT as its intellectual center), many localities have come to view universities as an infrastructure for cutting edge industrial growth.

Universities, in turn, have been quick to exploit this opportunity to strengthen their local constituency. A clear illustration is the Microelectronics and Computer Technology Corporation (MCTC), a newly created private firm with the mission of keeping the United States ahead of Japan in the microelectronics field. Jointly funded by twelve of the most important American firms in advanced technology, the new company had to build, at its founding, a $100 million installation. Austin, Texas, won the project, but only after the local and state governments agreed to a list of concessions, including subsidized land, mortgage assistance for employees, and a score of faculty chairs and other positions at the University of Texas for personnel relevant to the company mission (Rivera, 1983a).

The Austin victory reverberated especially through California, the location of the runner-up site. A consensus emerged, bolstered by an MCTC official's explicit statement, that faltering support for California higher education had made Texas the preferred choice. The view that a decline in the quality of higher education could drive away business may have been important in the fiscally conservative governor's decision to substantially increase allocations to the University of California in the following year. Budget increases for the less research-oriented state college system were at a much lower level; the community college system received a decrease in real dollar funding. The second and third groups of institutions play a less important role in growth machine strategies. As the president of the University of Texas said after his institution's victory, "The battle for national leadership among states is being fought on the campuses of the great research universities of the nation" (King, 1985:12).

Museums, Theaters, Expositions

Art and the physical structures that house artworks also play a role in growth strategies. In New York City, the art capital of the country, the arts generate about $1.3 billion in annual economic activity, a sum larger than that contributed by either advertising or computer services (Pittas, 1984). In Los Angeles, another major art center, urban redevelopment funds are paying for

the new Museum of Contemporary Art, explicitly conceived as a means of enhancing commercial success for adjacent downtown residential, hotel, and office construction. Major art centers are also being used as development leverage in downtown Miami, Tampa (Mormino, 1983:152), and Dallas. The new Dallas Museum of Art will be the central focus of "the largest downtown development ever undertaken in the United States" (Tomkins, 1983:92). Whatever it may do to advance the cause of artists in Texas, the museum will do much for nearby rents. According to a Dallas newspaper report, "The feeling persists that the arts have been appropriated here primarily to sell massive real estate development" (quoted in Tomkins, 1983:97).

Other sorts of museums can be used for the same purpose. Three Silicon Valley cities are locked in a battle to make themselves the site for a $90 million Technology Museum that "is expected to draw one million visitors a year, boost hotel occupancy and attract new business" (Sahagun and Jalon, 1984:1). Two of the competing cities (Mountain View and San Jose), in promising millions in subsidies, would use the museum as a focal point for major commercial developments. In a not dissimilar, though perhaps less highbrow effort, the city of Flint, Michigan ("the unemployment capital of America") invested city money in a Six Flags Auto World Theme Park that displayed cars (old and new) and used the auto as a motif for its other attractions. The facility was situated so as to boost the city's crumbling downtown; unhappily, gate receipts were poor and the park was closed, and the $70 million public-private investment was lost (Risen, 1984).

Theaters are also being used as a development tool. Believing that the preservation of the legitimate theater will help maintain the "vitality" of Midtown Manhattan, city officials are considering a plan to allow theater owners to sell the "development rights" of their properties, which the dense zoning in the theater district would otherwise permit. The buyer of these rights would then be allowed bonus, or greater, densities on other nearby sites, thereby protecting the theaters' existence while not blocking the general densification of the area (*New York Times*, September 19, 1983, p. 1). In many parts of the country, various individuals and groups are encouraging (and often subsidizing) the construction and rehabilitation of theaters and concert halls as growth instruments. Downtown churches are looking to the heavens for financial returns, arranging to sell air rights over their imposing edifices to developers of nearby parcels.

These programs allow cultural institutions, in effect, to collect rents they otherwise could gain only by tearing down their structures. The arrangement heads off any conflict between developers and those oriented to the use values that theaters and historic buildings might provide and helps to maintain these "city treasures" that help sustain the economic base. But aggregate levels of development are not curtailed.

Still another kind of cultural institution involved in the growth apparatus is the blue-ribbon committee that puts together local spectaculars, like annual festivals and parades, or a one-shot World's Fair or Olympics competition. These are among the common efforts by Chambers of Commerce and Visitors Bureaus to lure tourists and stimulate development. There are industrial expositions, music festivals, and all manner of regional annual attractions. Such events are considered ways of meeting short-term goals of generating revenue, as well as ways of meeting long-term goals of attracting outside businesses. They show off the locality to outsiders who could generate additional investments in the future. Los Angeles business leaders, for example, "created the Rose Parade to draw national attention to Southern California's balmy weather by staging an outdoor event with fresh flowers in the middle of winter" (Clark, 1983:271).

The short-term results of big events can mean billions of dollars injected into the local economy, although costs to ordinary citizens (in the form of traffic congestion, higher prices, and drains on public services) are notoriously understated (Clayton, 1984; Shlay and Gilroth, 1984). To help gain the necessary public subsidies for such events, the promoters insist that "the community" will benefit, and they inflate revenue expectations in order to make trickle-down benefits at least seem plausible (Hays, 1984). The 1983 Knoxville World's Fair, one of the few World's Fairs to actually produce a profit on its own books, nevertheless left its host city with $57 million in debts (Schmidt, 1984), a debt large enough to require an 8 percent increase in property taxes in order to pay it off. The 1984 New Orleans World's Fair showed a $100

million loss (Hill, 1984). Other spectaculars, like the Los Angeles Olympics, do come out ahead, but even so, certain costs (like neighborhood disruption) are simply not counted.

Clearly, a broad range of cultural institutions, not often thought of in terms of land development, participate closely as auxiliary players in the growth process for many reasons. Some participate because their own organizational goals depend on local growth, others because they find it diplomatic to support the local rentier patrons, others because their own properties become a valuable resource, and still others because their boards of directors are closely tied to local elites. Whatever the reasons, the growth machine cuts a wide institutional swath.

Professional Sports

Professional sports teams are a clear asset to localities for the strong image they present and tourist traffic they attract (Eitzen and Sage, 1978:184). Baseball, the American pastime, had its beginning in amusement parks; many of the team owners were real estate speculators who used the team to attract visitors to the subdivisions they offered for sale. Fans would ride to the park on trolley lines that the team owner also owned (Roderick, 1984). In more recent years, baseball and football stadia and hockey and basketball arenas have been used by local *governments* to provide a focus for urban renewal projects in Pittsburgh, Hartford, Minneapolis, and other cities (Roderick, 1984). New Orleans used the development of the Superdome "to set the stage for a tourist-based growth strategy for the future development of downtown" (Smith and Keller, 1983:134). The facility ended up costing $165 million (instead of the projected $35 million), and has had large annual operating losses—all absorbed by the state government.

St. Petersburg, Florida, seems to be following the example of New Orleans. The Florida city has agreed to invest $59.6 million in a new stadium *in the hope* that it will lure a major league franchise to a city that woefully lacks the demographic profile necessary to support major league sports. So far the project has required displacement of four hundred families (primarily black) and saddled the city with a huge debt. A city official insists it will be worth it because

> When you consider what it would mean in new business for hotels, jobs, pride, tourism—then it's a real good deal. We believe for every dollar spent inside a stadium, seven are spent outside. [Roderick, 1984:24.]

In an even more dubious effort, the city of Albany, New York, gained popular support (and some state funding) for a $40 million multipurpose downtown civic center on the grounds that it *might* attract a hockey team to the city (D'Ambrosio, 1985). Like the New Orleans project, this plan puts sports boosters behind a project that will help local business with its other events (such as conventions), regardless of its success in attracting a professional team.

Local teams are an industry in themselves. Atlanta's professional sports organizations have been estimated to be worth over $60 million annually to the local economy (Rice, 1983:38). But a local team does much more than the direct expenditures imply: It helps a city's visibility, putting it "on the map" as a "big league city," making it more noticeable to all, including those making investment decisions. It is one of "the visible badges of urban maturity" (Rice, 1983:38). Within the city, sports teams have an important ideological use, helping instill civic pride in business through jingoistic logic. Whether the setting is soccer in Brazil (Lever, 1983) or baseball in Baltimore, millions of people are mobilized to pull for the home turf. Sports that lend themselves to boosting a locality are the useful ones. Growth activists are less enthusiastic about sports that honor individual accomplishment and are less easily tied to a locality or team name (for example, tennis, track, or swimming). Only when such sports connect with rent enhancement, for example, when they are part of an Olympic competition held on home ground, do they receive major support.

The mobilization of the audience is accomplished through a number of mechanisms. Money to construct stadia or to attract or retain the home team is raised through public bond issues. About 70 percent of current facilities were built with this tool, often under conditions of large cost overruns (Eitzen, 1978). Enthusiastic corporate sponsorship of radio and TV broadcasts greatly expands public participation (and by linking products with local heroes this form of sponsorship avoids any danger of involving the corporate image with controversial topics). Finally, the news media provide avid coverage, giving sports a separate section of the newspaper and a substantial block of broadcast time during the period designated for the news (including the mention of the city name on national news). No other single news topic receives such consistent and extensive coverage in the United States.

The coverage is, of course, always supportive of sports itself and the home team in particular. There is no pretense of objectivity. It is all part of the ideological ground for other civic goals, including the successful competition of cities for growth-inducing projects. Professional teams serve many latent social functions (Brower, 1972); sustaining the growth ideology is clearly one of them.

Organized Labor

Although they are sometimes in conflict with capitalists on other issues, labor union leaders are enthusiastic partners in growth machines, with little careful consideration of the long-term consequences for the rank and file. Union leadership subscribes to value-free development because it will "bring jobs," particularly to the building trades, whose spokespersons are especially vocal in their support of development. Less likely to be openly discussed is the concern that growth may bring more union members and enhance the power and authority of local union officials.[7]

Union executives are available for ceremonial celebrations of growth (ribbon cuttings, announcements of government contracts, urban redevelopment ground breakings). Entrepreneurs frequently enlist union support when value-free development is under challenge; when growth control was threatened in the city of San Diego in 1975, three thousand labor union members paraded through downtown, protesting land-use regulations they claimed were responsible for local unemployment (Corso, 1983:339). Labor leaders are especially useful when the growth machine needs someone to claim that development opponents are "elitist" or "selfish." Thus, in a characteristic report on a growth

7. Unions oppose growth projects that bring nonunion shops; the UAW did not welcome Japanese-owned auto plants that would exclude the union.

control referendum in the city of Riverside, California, Neiman and Loveridge (1981:764–65) found that the progrowth coalition "repeated, time and again, that most of organized labor in the area opposed Measure B, firms wishing to locate in Riverside were being frightened away . . . and thousands of voters would lose their jobs if Measure B passed." Although this technique apparently worked in Riverside at the polls and in San Diego in the streets, it is doubtful that the majority of the rank and file share the disposition of their leaders on these issues (a point to be documented in chapter 6). Nevertheless, the entrepreneurs' influence over the public statements and ceremonial roles of union leaders, regardless of what their members think, helps the rentiers in achieving their aggressive growth policies.

The co-optation of labor leadership is again evident in its role in national urban policy. Labor essentially is a dependable support of growth—anywhere, anytime. Although its traditional constituency is centered in the declining areas of the country, the unions' national hierarchy supports policies little more specific than those that provide "aid to the cities." The active campaign by the United Auto Workers (UAW) for increased investment in Detroit and other sections of the country's "automotive realm" (Hill, 1984) is an exception. Although unions may be especially concerned with the future of the declining areas, they have not tried to develop an effective strategy for directing investment toward these places, at the expense of other places. Labor cannot serve the needs of its most vulnerable and best organized geographical constituency because it won't inhibit investment at any given place. The inability of labor to influence the distribution of development within the United States (much less across world regions) makes organized labor helpless in influencing the political economy of places. Labor becomes little more than one more instrument to be used by elites in competing growth machines.

Self-employed Professionals and Small Retailers

Retailers and professionals ordinarily have no clear interest in the generation of aggregate rents. The stake of these groups in growth depends on their particular situation, including the possibility that growth may displace a clientele upon which they are

dependent. Any potential opposition from these groups is, however, blunted by a number of factors, two of which are especially important. Retailers need customers and this often leads them to equate aggregate growth in a locality with an increase in sales and profits for themselves. They also have social ties with local rentier groups, whose avid growth orientation may have a strong influence.

By contrast, larger but locally based retailing chains with substantial local market shares have a direct interest in local growth. They can grow more cheaply by expanding in their own market area (where media and other overhead costs can be spread among existing stores) than by penetrating distant regions. But a larger population base also draws new competitors, since retailing is more competitive than most other businesses. In particular, on reaching a certain size, markets become more attractive to higher-volume, national retailers, such as McDonald's or chain department stores and the malls that house them. Large operations are especially drawn to fast-growing areas in which an early decision to locate can preempt other national competitors. Department stores and chain restaurants displace an enormous number of smaller entrepreneurs (Friedland and Gardner, 1983). Despite these prospects, small retailers are often supporters of local growth machines, even when it means bringing in directly competitive operations. In this instance, ideology seems to prevail over concrete interests and the given record.

Well-paid professionals such as doctors and lawyers sometimes invest their own high salaries in property syndicates (often unprofitable ones) that are put together for them by brokers and financial advisers. This gives the professionals the direct stake in growth outcomes that we ordinarily associate with place entrepreneurs. As social peers of the rentiers, and as vague supporters of value-free production generally, these professionals are often sympathetic to growth. They seem less supportive than business groups, but more supportive than lower-paid professionals or members of the working class (Albrecht, Bultena, and Hoiberg, forthcoming). A critical issue for the affluent professionals is whether their own use of places—to live, shop, and earn money—is compatible with growth. Professionals can avoid the dilemma by investing at a distance from their own homes. As we will see in the next two chapters, professionals not tied to the growth machine make particularly effective citizen opponents of the growth coalition.

Corporate Capitalists

Most capitalists, like others whose primary attachment to place is for use values, have little direct interest in land-use intensification in a specific locality. They are in business to gain profits, not rents. Particularly when local corporate leaders are division heads of multilocational firms, there is little reason for direct involvement (see Schulze, 1961). In his report on Houston's historical development, Kaplan quotes a local observer who remarks that the "pro-growth faction" consists of people "whose very good livelihoods depend on a local government that will continue to make the 'right' policy decisions." "Surprisingly," Kaplan comments (1983:204), "the oil and gas industry remains aloof from local Houston politics, preferring to concentrate on the national and international policies crucial to its interests." This disinterest of the large industrials is not a surprise to us.

Nevertheless, corporate actors do have an interest in sustaining the growth machine ideology (as opposed to the actual growth of the area surrounding their plant). This ideology helps make them respected people in their area. Their social worth is often defined in terms of "size of payroll," and their payroll in turn helps them get land-use and budget policies consistent with corporate needs. As long as the rentiers dominate locality, capitalists and their managers need not play a direct role. They may choose to do so anyway, particularly when they are natives of the locale (not branch plant functionaries) with ties to rentier groups (Friedland and Palmer, 1984; Galaskiewicz, 1979a, 1979b). But the absence of corporate officials in local politics (especially branch plant managers), repeatedly observed by various investigators (see Banfield and Wilson, 1963; Dahl, 1961; Schulze, 1961), is not a sign of their lack of power. It can instead be evidence that the local agenda is so pervasively shaped by their interests that they have no need to participate. Like good managers generally, they work through others, leaving their relative invisibility as a sign of their

effectiveness. Only when there is a special opportunity, as in modern-day company towns (see chapter 5), or when ordinary hegemonic mechanisms fail (see chapter 6), do we find corporate functionaries again active in urban politics.

The Effects of Growth

By claiming that more intensive development benefits virtually all groups in a locality, growth machine activists need pay no attention to the distinction between use and exchange values that pervades our analysis. They assert that growth strengthens the local tax base, creates jobs, provides resources to solve existing social problems, meets the housing needs caused by natural population growth, and allows the market to serve public tastes in housing, neighborhoods, and commercial development. Similarly, Paul Peterson speaks of development goals as inherently uncontroversial and "consensual" because they are aligned with the "collective good" (1981:147), "with the interests of the community as a whole" (1981:143). Speaking in characteristically sanguine terms even about urban renewal (widely known by then for its detrimental effects on cities), Peterson says in his celebrated book: "Downtown business benefits, but so do laborers desiring higher wages, homeowners hoping house values will rise, the unemployed seeking new jobs, and politicians aiming for reelection" (1981:147).

Some of these claims, for some times and places, are true. The costs and benefits of growth depend on local circumstance. Declining cities experience problems that might be eased by replacement investments. Even in growing cities, the costs of growth can conceivably be limited by appropriate planning and control techniques. Nevertheless, for many places and times, growth is at best a mixed blessing and the growth machine's claims are merely legitimating ideology, not accurate descriptions of reality. Residents of declining cities, as well as people living in more dynamic areas, are often deceived by the extravagant claims that growth solves problems. These claims demand a realistic evaluation.

Fiscal Health

Systematic comparative analyses of government costs as a function of city size and growth have found that cost is positively related to both size of place and rate of growth, at least for middle-size cities (see Appelbaum, 1976; Follett, 1976). Of course, the *conditions* of growth are important. The overall fiscal state of a city depends on the kind of growth involved (industrial versus residential, and the subtypes of each) and the existing capacities of the local infrastructure. In general, most studies (see Stuart and Teska, 1971) conclude that housing development represents a net fiscal loss because of the service costs that residents require, although housing for the rich is more lucrative than housing for the poor. Industrial and commercial growth, on the other hand, tends to produce net benefits for the tax base, but only if the costs of servicing additions to the local labor force are omitted from the calculations. If local government provides special tax incentives or other sorts of subsidies to attract new industries, the fiscal costs of development will obviously be higher.

Growth can also at times save a local government money. A primary factor in this possibility is the existence of "unused capacities." If a town has a declining birth rate and thus a school district with empty classrooms, officials may try to attract additional families to increase the efficient use of the physical plant and thereby reduce the per capita costs. If a city is paying off a bonded debt on a sewer plant that could serve double its present demand, officials may seek additional users in order to spread the costs to a larger number and thus decrease the burden for current residents.

Under other conditions, however, even small increases in demand can have enormous fiscal costs if the increases entail major new public expenditures. In many cases infrastructures must be built "all at once"; these are "lumpy" costs. Additional water supplies can sometimes be gained only by constructing a vast aqueduct system that can transport 100,000 acre feet annually as easily as a single acre foot. The costs of such utility investments are usually shared equally by all users; the "new people" don't have to pay more because of the extraordinary costs their presence creates. The developer of a "leap frog" housing tract (one that jumps

beyond existing urban development) doesn't pay more than previous entrepreneurs to run utilities a greater distance, despite the higher costs entailed by the location. This pricing system, in which each user pays the same amount regardless of when or how the user joined the client group, tends to mask the cost of additional growth (or the irrationalities of its distribution). These costs can be especially high because the cheap sources of water, power, and highway rights of way are the first ones tapped; expansion thus tends to be increasingly expensive.

Costs to existing residents can be particularly high if the anticipated growth does not materialize. In what Worster (1982:514) calls the "infrastructural trap," localities that place bets on future growth by investing in large-scale capacities then must move heaven and earth to make sure they get that growth. Whether through deceitful plot or inadvertent blunder, the results can be a vicious cycle of crisis-oriented growth addiction as various infrastructures collapse from overuse and are replaced by still larger facilities, which then can only be paid for with additional growth that again creates another crisis of overuse.

All of this resembles the infrastructure crises of much earlier efforts at growth inducement in the nineteenth century. Scheiber (1973) reports absurd redundancies in the canal-building spree of the state of Ohio as each politically powerful land group demanded a linkage to the great waterways. The scenario was repeated with turnpikes and railroads, leading to absurd overcapacity and the "intolerable indebtedness" that led to bond defaults by several states (Goodrich, 1950). Costs of construction were considerably increased through corrupt management, and the viability of the completed projects was eroded by duplication and irrational routings. The result was "bitter disillusionment" (Scheiber, 1973:138) when prosperous towns did not materialize where expected (almost everywhere) and the costs of overbuilt infrastructures remained as a continuous drain on public budgets.

It is less likely today that a single project could bring about such a fiscal disaster, although the nuclear power bankruptcy in 1983 of the major utility in the state of Washington is one case in point, just as similar nuclear power problems threaten other ratepayers elsewhere. In most instances, growth spending corrodes subtly, slowly eroding fiscal integrity as the service costs of new developments outweigh the revenues they generate. Some localities have demanded "hard looks" at the precise cumulative costs, and have come up with striking results. A 1970 study for the city of Palo Alto, California, found that it would be cheaper for that city to purchase its privately owned undeveloped foothills at full value, rather than allow the land to be developed and enter the tax rolls (Livingston and Blayney, 1971). Again, a study of Santa Barbara, California, demonstrated that service expenditures for virtually any population growth would require raising property taxes and utility rates, with no compensatory public service benefits for local residents (Appelbaum et al., 1976). Similar conclusions on the costs of growth have resulted from studies of Boulder, Colorado (cited in Finkler, 1972), and Ann Arbor, Michigan (Ann Arbor, Michigan, Planning Department, 1972). In their review of case studies of the effects of industrial growth in small towns, Summers and Branch (1984) report that increments to the local tax base were in most cases outweighed by added service burdens, except when industrial development was not subsidized by local government and new employees lived in other communities.

The kinds of cities that have undertaken these studies, primarily university towns, are by no means typical U.S. places; in the declining cities of the frostbelt, the results might well be different. And cities can, in reality, manipulate the fiscal consequences of growth to benefit them. Here we want to stress that growth cannot, just because it "adds to the tax base," be assumed beneficial to a city's fiscal well-being. Only a careful analysis of the details can yield accurate conclusions about a specific place at a given time. We suspect that the promised benefits of growth would be found, more often than not, to have been greatly exaggerated by the local growth activists, who, while portraying themselves as the prudent guardians of the public purse, often lead their cities into terrible fiscal troubles.

Employment

A key ideological prop for the growth machine, especially in appealing to the working class, is the assertion that local growth "makes jobs." This claim is aggressively promulgated by developers, bankers, and Chamber of Commerce officials—

people whose politics otherwise reveal little concern for problems of the working class. The emphasis on jobs becomes a part of the statesmanlike talk of media editorialists. Needless to say, the benefits in profits and rents are seldom brought up in public.

The reality is that local growth does not make jobs: it only distributes them. In any given year the United States will see the construction of a certain number of new factories, office units, and highways—regardless of where they are put. Similarly, a given number of automobiles, missiles, and lamp shades will be made in this country, regardless of where they are manufactured. The number of jobs in this society, whether in the building trades or in any other economic sector, will therefore be determined by rates of return on investments, national trade policy, federal decisions affecting the money supply, and other factors unrelated to local decision making. Except for introducing draconian measures that would replicate Third World labor conditions in U.S. cities (not as remote a possibility as we might think; see chapter 7), a locality can only compete with other localities for its share of newly created U.S. jobs. Aggregate employment is unaffected by the outcome of this competition among localities to "make" jobs. The bulk of studies that search, either through cross-sectional or longitudinal analysis, for relations between size or growth of places and unemployment rates fail to show significant relationships (Applebaum, 1976; Follett, 1976; Garrison, 1971; Greenberg, n.d.; Hadden and Borgatta, 1965:108; Samuelson, 1942; Sierra Club of San Diego, 1973; Summers et al., 1976; Summers and Branch, 1984; but see Eberts, 1979).

Despite the pain and difficulty often associated with interurban migrations, there is enough worker mobility, at least within national boundaries, to fill jobs at geographically distant points, including even the wilds of Alaska. When jobs develop in a fast-growing area, workers from other areas are attracted to fill the developing vacancies, thus preserving the same unemployment rate as before the growth surge. Indeed, especially in cases of rapid, "boom town" growth, enthusiastic media coverage can prompt large numbers of workers to migrate, much in excess of immediate job openings. A large surplus of workers results when the boom comes to its inevitable end, often with many of the infrastructural costs still to be paid (Markusen, 1978). The human strain of migration—people forced to leave their relatives and neighborhood behind—may prove to have been for nothing. Unemployment rates in the state of Alaska, a boom region for many years, exceeded the national average from 1972 to 1982 every year except one. In 1978, even before oil prices began their precipitous fall, the national unemployment rate was 6.1 percent and the Alaska rate was 11.2 percent.

Similarly, just as "new jobs" may not change the aggregate *rate* of unemployment (either locally or nationally), they may also have little affect on unemployed *individuals* in a given place. For example, cities that are able to reverse chronic economic decline and stagnation, as Atlantic City has done through its recent gambling boom, often provide new jobs primarily for suburbanites and other "outsiders," rather than for the indigenous working class in whose name the transformation was justified (Sternlieb and Hughes, 1983a; see also Greenberg, n.d.; Summers et al., 1976). Summers and Branch (1984) draw the same conclusion in their review of the effects of growth on small towns, reporting that typically less than 10 percent of new industrial jobs are filled by persons who were previously unemployed (of whatever residential origin). Evidently, the new jobs are taken by people who already have jobs, many of whom are migrants.[8] Summers observes that "newcomers intervene between the jobs and the local residents, especially the disadvantaged," because they possess "more education, better skills, or the 'right' racial heritage" (as quoted in Bluestone and Harrison, 1982:90).

It is still possible that certain patterns of growth may stimulate employment without attracting migrants. New jobs that bring underemployed women or youths into the work force may have this effect. It is also true that certain categories of workers can be especially penalized if local labor markets fail to expand, for example, those immobilized by ill health, family commitments, or other factors that limit mobility. But overall, even though local growth may sometimes have beneficial effects on specific individuals and subgroups, both the weight of empirical evidence and the logic of the process indicate that net benefits do not follow as a

8. Further, new industrial investment in one city often eliminates jobs at another city, with no net gain. This process is detailed in chapter 7.

matter of course. Indeed, our conclusions reinforce what has been called the "unanimous" agreement among economists that "the only jurisdiction that should be concerned with the effects of its policies on the level of employment is the Federal government. Small jurisdictions do not have the power to effect significant changes in the level of unemployment" (Levy and Arnold, 1972:95).

The real problem is that the United States is a society of constant joblessness, with unemployment rates conservatively estimated by the Department of Commerce at 4 to 11 percent of the work force defined as ordinarily active. A game of musical chairs is being played at all times, with workers circulating around the country, hoping to land in an empty position when the music stops. Redistributing the stock of jobs among places may move the chairs around, but it does not alter the number of chairs available to the players.

Job and Income Mobility

Related to the issue of unemployment is the question of occupational mobility in general. It seems obvious that only in the largest places is it possible to attain the highest incomes in the lucrative occupations; for individuals with such ambitions, large may be the only option. Other than moving (the more efficient mechanism), growth of place is the only answer. In general, studies that have compared wage rates among places have found that urban areas with more people have higher wages rates, although the differences between places are small (Alonso, 1973; Appelbaum, 1978; Fuchs, 1967; Hoch, 1972).

More relevant in the present context than the issue of how size affects wages is the issue of how income is influenced by urban *growth*. In his study of matched "self-contained" cities, Appelbaum (1978) found that there was indeed a positive relation between family income and rate of urban growth (see Eberts [1979] for similar results using Northeast counties). But the size and growth effects together had a small *net* effect: controlling for other variables, size and growth explained about 8 percent of the variance in income among places. More crucially, we don't learn in these studies whether growth tends to merely attract higher-wage workers from other areas (which then "decline" in median income as a result), or growth itself benefits indigenous populations.

Also complicating the interpretation of the growth-related income difference is evidence that larger places (and in particular fast-growing ones) have higher living costs, which offset the higher wages. The degree to which this occurs is a matter of debate (Appelbaum, 1978; Hoch, 1972; Shefer, 1970). Although most evidence suggests that *size* has little effect on living costs, *growth* has a much greater effect. This is especially true for housing costs; the effects of growth on prices are especially strong for both single-family houses and apartments (Appelbaum, 1978:36–37; Appelbaum and Gilderbloom, 1983). Because so many detrimental effects of growth on costs are not reflected in these studies of household income—for example, the effects of pollution on health care and building maintenance expenses—we must conclude that growth does not benefit a family in terms of net income or quality of life.

An alternative way of investigating the connection between growth and the personal income of local populations is through case studies of how growth has affected the wages of specific social and occupational groups in given places. Greenberg (n.d.) carried out such a study with a special focus on low-wage groups and, in particular, poor blacks in southern counties of three subregions that were experiencing different patterns of development. Although all the areas in her study experienced rates of growth exceeding the national growth rate between 1960 and 1980, the economic basis of that growth was different in each place and had distinct consequences for specific labor groups. There were three different patterns: (1) growth in service industry in an area of declining low-wage manufacturing; (2) invasion of manufacturing jobs into an agricultural zone; and (3) major expansion of government jobs in an area with a mixed economy.

In the first case, found in Durham, North Carolina, the transition from a manufacturing to a service economy meant "that blacks simply exchanged low wage jobs in low growth sectors of the economy for low wage jobs in high growth sectors" (Greenberg, n.d.:23). In the second pattern, found in the area outside Durham, in which manufacturing invaded a former agricultural zone, Greenberg found that incoming industrialization did not

bring higher living standards: "The transition from agriculture to low wage manufacturing has done little to improve the relative economic position of blacks in most types of nonagricultural employment. Whites also earn substantially less than their counterparts in the adjacent urban counties" (Greenberg, n.d.:24). In Greenberg's third growth pattern, there were substantial gains for blacks and, presumably, the poor in general. In Wake County, the growth in employment was based heavily on expansion by the government. The number of blacks in high-level jobs increased and their wage gains outpaced the national average for blacks during this period. Although Greenberg attributes these gains for blacks to the increased "diversity" of the economy that government employment provided, we might put equal stress on the civil service and affirmative action requirements of government hiring and promotion (see Baron and Bielby, 1980).

Whatever the specific reasons for the differences among places, Greenberg's findings indicate that "growth *per se* is no panacea for urban poverty" (Greenberg, n.d.:26). Instead, the issue is the *kind* of growth that is involved, and the degree (ordinarily, limited) to which local residents are given an advantage over migrants in the competition for jobs. Otherwise, local growth may be only a matter of making the local rich even richer, or, alternatively, of moving those already privileged in their jobs from one part of the country to another part of the country. To stay with our metaphor of musical chairs, the number of *comfortable* chairs and the basis for allocating them does not change; only their *location* is altered. As Summers and Branch conclude on the basis of their own growth studies, "Industrial location has a small or even negative effect on the local public sector and on economically disadvantaged citizens" (1984:153; see also Garrison, 1971). This is hardly consistent with the myth of opportunity promoted by supporters of the growth machine.

Eliminating Social Problems

The idea that an increase in numbers and density leads to severe social pathology has been, at long last, thoroughly discredited (see, for example, Fischer, Baldasarre, and Ofshe, 1975). We do believe, however, that size and rate of growth have a role in creating and exacerbating urban problems such as segregation and inequality.

The great population explosions that marked America's industrial cities earlier in this century cannot be said to have increased levels of either equality or class and racial integration. Instead, greater numbers seem to have increased spatial and social segregation between rich and poor, black and white (Lieberson, 1980; Zunz, 1982). In a more contemporary context, Sternlieb and Hughes (1983a) have studied the social effects of the growth of gambling in Atlantic City, New Jersey—the revitalization of a service sector industry. Sternlieb and Hughes report that the consequences have been extremely negative for existing residents. The growth boom has set up "walled off universes" of casino-generated wealth, with the old people and poor finding their former "dismal comforts being swept away," without the compensation of better jobs.[9] The original residents are not participating in the new economy, except at the bottom (as is consistent with Greenberg's findings, discussed above), and the overall effect of the gambling boom on the community is to exacerbate visible cleavages between the rich and the poor (see also Markusen, 1978).

More generally, growth may not be the cause of problems, but increases in scale make it more difficult to deal with those that do exist. Racial integration is more difficult when members of a minority are concentrated in large ghettos within a vast, and often politically divided, region. It becomes harder to accomplish school integration without busing pupils over long distances and across jurisdictional lines. Busing generates controversy and high costs to public budgets as well as taking up children's time. In small places, racially and economically diverse social groups can more easily end up in the same schools, as well as the same shopping, recreation, and work settings. Whether through fortuitous movements of people or through managed intervention programs, small places can be more easily integrated, racially and economically. Under current jurisdictional and ecological patterns, growth tends to intensify the separation and disparities among social groups and communities.

9. "Atlantic City Hurt by Gambling, Study Finds," *Los Angeles Times*, November 2, 1983, sec. I, p. 11.

Growth likely increases inequality within places through its effects on the distribution of rents. Increases in urban scale mean larger numbers of bidders for the same critically located land parcels (for example, the central business district or the site for a freeway intersection), inflating land prices relative to wages and other wealth sources. Although growth expands the center zone (as well as stimulating other pockets in the area) the critical locations remain unique. Hence we see the familiar pattern of an intense use of critical spots (for example, Wall Street or Rodeo Drive) with a sharp drop in rent levels just outside their boundaries. Growth disproportionately increases the value of strategic parcels, generating monopoly effects for their owners. Thus, in terms of rental wealth, urban growth likely increases inequality.

There is some empirical evidence showing greater income disparities within larger and faster-growing places, whether from monopoly rent effects or another factor (Haworth, Long, and Rasmussen, 1978; but see Walker, 1978). Other studies, however, find little or no impact of size or growth rates on wealth distribution (Alonso, 1973; Appelbaum, 1978; Betz, 1972). Our own conclusion is that growth mainly hurts those in its direct path whose primary tie to place is for its residential use value. When tracing the effect of growth, we must look at how particular groups, at a given time and place, are affected by development (a task we take up in the next chapter).

Environment

Growth has obvious negative consequences for the physical environment; growth affects the quality of air and water, and the ease of getting around in a town or city. Growth obliterates open spaces and damages the aesthetic features of a natural terrain. It decreases ecological variety with a consequent threat to the larger ecosystem.

Though sometimes viewed as trivial concerns of an idle middle class ("rich housewives," according to the stereotype), these blows to the physical environment most heavily affect the less well to do. A high-quality physical environment constitutes a free public good for those who have access to it (Harvey, 1973). Those who are unable to buy amenities in the market lose most from the unavailability of such resources. More concretely, since the poor are most likely to live and work in close proximity to pollution sources, the poor are more affected by growth-induced environmental decay than are the rich.

Perhaps nowhere are the effects of environmental decline more dramatically displayed than in those places with the most rapid growth experiences. Feagin (1983a), for example, has compiled a list of Houston's problems that have accompanied that city's emergence as "capital of the sunbelt." These include crises in sewage disposal, toxic dumps, water supplies, and transportation. In addition to the visible increases in pollution and congestion, past environmental sins will entail vast cleanup costs—what Worster (1982:514) calls "ecological backlash." By 1983, Houston was second only to New York City in per capita bonding liability. Environmental decline, here as elsewhere, can exacerbate fiscal problems and inequality of life chances among rich and poor.

Accommodating Natural Increase

Growth activists incessantly raise the problem of providing "homes and jobs for our children." To avoid the forced exile of their youth, towns and cities might reasonably have as a goal the maintenance of economic expansion sufficient to provide jobs and housing for new generations. These expansions would be modest in scale, given the low rates of birth that are characteristic of U.S. urban populations. The difficulty is "reserving" the right openings for the right youths, a goal that is unrealistic given the nature of the hiring queue and the constitutional limitations on restraint of trade. Virtually no local growth policy could effectively guarantee local jobs for local people. Many of the young prefer, of course, to leave their home town anyway, and this in itself probably eliminates the problem of having to create large numbers of jobs to accommodate local youth.

Satisfying Public Taste

The current pattern of urbanization is not necessarily a response to people's wishes. As Sundquist has remarked,

> The notion commonly expressed that Americans have "voted with their feet" in favor of the great cities is, on the basis of every available sampling, so much nonsense. . . . What is called "freedom of choice" is, in sum, freedom of employer choice or, more precisely, freedom of choice for that segment of the corporate world that operates mobile enterprises. The real question, then, is whether freedom of corporate choice should be automatically honored by government policy at the expense of freedom of individual choice where those conflict. [1975:258.]

Most evidence suggests that people prefer living in small places or rural areas (Appelbaum et al., 1974:4.2–4.6; Finkler, 1972:2, 23; Hoch, 1972:280; Mazie and Rowlings, 1973; Parke and Westoff, 1972). Although only 8 percent of Americans in 1977, for example, lived in small towns and farm areas, 48 percent gave such places as their residential preference (Fischer, 1984:20). The larger the metropolis, the greater the proportion of people (in both the central city and suburbs) who express a desire to move away (Gallup, 1979:85). If people's responses to surveys are any indication, a substantial portion of the migration to the great metropolitan areas of the postwar decades was more in spite of tastes than because of them.

Growth Trade-offs

Although there is clear evidence on some of the effects of growth, urban size is fundamentally a political or value issue in which one person's criteria are lined up against another's (see Duncan, 1957). It may, for example, be necessary to sacrifice clean air to build a population base large enough to support a major opera company. If one loves music enough, the price may be worth paying. But in reality, differential material interests influence the trade-offs. If one happens to be on the winning side of the rent intensification process (or in the opera business), the pleasures of cleaner air or lower taxes will be easier to forgo.

Besides the variations between individuals and groups, the actual price to be paid for growth and the willingness to pay it will vary somewhat. Having an opera house is probably more important to the Viennese than to the residents of Carmel, California, and in the same way the preferred trade-offs in population size will vary. On more prosaic grounds, certain places may need additional population to absorb the costs of existing road and sewer systems, however misguided the initial commitment to build them. People in some small towns may want a population increase in order to make rudimentary specialization possible in their public school system. In other instances, a past history of outmigration may have left behind a surplus of unused capacities, which would easily accommodate additional growth and provide public benefits of various sorts.

These variations notwithstanding, the evidence on fiscal health and economic or social problems indicates clearly that the assumptions of value-free development are false. In many cases, probably in most, additional local growth under current arrangements is a transfer of wealth and life chances from the general public to the rentier groups and their associates. Use values of a majority are sacrificed for the exchange gains of the few. To question the wisdom of growth for any specific locality is to threaten a benefit transfer and the interests of those who gain from it.

4

Homes: Exchange and Sentiment in the Neighborhood

The push for growth and rents is not the only force on the urban scene; there are also efforts, individual and collective, to enhance use values. The two processes together determine the patterns of neighborhood life—the ways in which people grow up, live, and die, interconnect with one another, and defend (or offend) the places in which they live. "Sentiment" is indeed at work in structuring the city, but this sentiment is "refracted" (Storper and Walker, 1983:25) through a larger system of material production and manipulation of rents. People's feelings about their daily round, their psychological attachments to place, and their neighborhood ethnic solidarities are very real to them, but these feelings are bound up with forces originating outside residents' immediate milieus, far beyond the social and geographical boundaries of their routines. Sentiment and structure cohere in various ways in "generating the actual events of everyday life" (Storper and Walker, 1983:27), in different places at different times. The city is a setting for the achievement of both exchange values and use values; and the neighborhood is the meeting place of the two forces, where each resident faces the challenge of making a life on a real estate commodity. From the point of view of residents, the creation and defense of the use values of neighborhood is the central urban question, and it is our topic in this chapter.