

vate) 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 renters, 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 (Morino, 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 re-

habilitation 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 spectacles, 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 exhibitions, 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 spectacles, 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 (Elitzen 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. [Rodentek, 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 me-

dia 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 Lovridge (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 addition 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 corridors 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 (Appelbaum, 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 effect 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, Balasare, 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 (Liebertson, 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 “valled 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. 1, 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 impor-

tant 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.