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# Ideas Matter: Reflections on the New Regionalism

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## Abstract

*This article reviews recent arguments for regional cooperation, especially those that assert an interdependence between cities and suburbs. Based on an analysis of economic trends and market failures, these arguments deduce from economic facts normative policy prescriptions for regional cooperation. Logically, however, normative prescriptions cannot be deduced from empirical facts. After examining the logical flaws in these arguments, the article sketches out a normative vision that addresses ways for regional cooperation to enhance democratic participation, community control, and civil society. The article concludes that efforts to advance regional solutions to urban problems must include regional visions as well as coherent analyses of economic trends. In short, ideas matter.*

In recent years, there has been a revival of interest in regional solutions to urban problems. Since 1992, Anthony Downs, Oliver Byrum, Neal Peirce, and David Rusk have all published books calling for greater regional cooperation in simultaneously addressing inner-city problems and improving the quality of life in suburbs (Downs, 1994; Byrum, 1992; and Cisneros, 1993). Led by Rusk's *Cities Without Suburbs*, these books have garnered considerable media attention, placing on the public agenda the question of whether or not suburbanites can safely ignore deteriorating conditions in inner cities. Supporting the new regionalism is a growing body of scholarly literature that correlates conditions in central cities and suburbs. Working out of the University of Louisville, the National League of Cities, and the Federal Reserve Bank of Philadelphia, scholars have found high positive correlations between conditions in central cities and various measures of suburban well-being (Voith, 1992; Savitch et al., 1993). The implication is clear: The economic fate of suburbs is tied to that of cities. Support of regional development policies that address inner-city problems is in the economic interest of suburbanites.

Ironically the new regionalism, which is based on the interdependence of cities and suburbs, emerged at the same time as scholars and journalists were making the opposite point: that suburbs no longer need cities. One version of the suburban independence argument is that advances in technology, especially telecommunications, are making the dense face-to-face relations found in cities passé—people can gain the advantages of density and diversity without locating in cities (Pascal, 1987; Morganthau and McCormick, 1991). The second argument concedes that dense agglomerations of

economic activity are still needed in modern economies but contends that suburbs have evolved their own concentrations to perform the same functions as cities. The most influential statement of this premise is Joel Garreau's *Edge City: Life on the New Frontier* (1991).<sup>1</sup> Garreau asserts that suburbs have evolved concentrations of employment near airports and interstate highways that have replaced central business districts (CBDs) in the basic processes of wealth creation. Thus suburbs no longer need central cities. Regional planning is an antiquated, socialist vision, Garreau suggests, because the market is meeting business and consumer needs in suburban edge cities.

The purpose of this article is to review and analyze the emerging debate on regionalism and the interdependence of cities and suburbs in the United States. By viewing urban policy within the broader context of regional growth and decline, the new regionalism debate has the potential to place urban policy on a broader and more comprehensive footing. My thesis, however, is that two aspects of the debate severely limit its potential: (1) a preoccupation with economic forces and interests, to the exclusion of political and social values, and (2) a tendency to frame the debate as a choice between liberalism (government) and conservatism (market) while ignoring the institutions of civil society that mediate between state and market. The regionalism debate will not be settled by amassing more economic facts. There is a need for ideas that project a vision of a fully functioning metropolitan area in a democratic society.

## Background: Why Now?

An interesting question is: Why did advocates for urban policy begin to change their arguments around 1990? Until then urban policies, defined as policies that target resources to central cities (and to poor neighborhoods within them), were defended mostly on the grounds of fairness and equality. Their advocates argued for redistributive programs targeted to cities and based on the premise that the urban poor need help because they are victims of forces beyond their control. Urban policies were viewed as one way to address unacceptable levels of inequality that threaten social cohesion. These arguments, however, have been less and less effective, and urban policies in the United States have declined precipitously over the past 15 years. Between 1980 and 1990, Federal grants targeted to cities were reduced 46 percent. At the same time, spending on the social safety net of programs targeted to needy individuals increased (Caraley, 1992; Conlan, 1987).<sup>2</sup>

Around 1990 the case for urban policies began to shift noticeably, from a social welfare justification aimed at the redistribution of resources to an economic justification aimed at regional growth and prosperity. One of the earliest signs of this shift by urban advocates occurred at the Urban Summit held in New York City in fall 1990. Delegates to the meeting, attended by the mayors of 29 of America's largest cities, still made the case that the Federal Government should give aid to cities out of compassion for the urban poor. However, there was also a concerted effort to shift away from the image of cities as beggars at the trough of Federal grants to an image of cities as mighty engines of growth. The latter view was set forth in the opening line of *The Compact* written by the mayors: "Like a mighty engine, urban America pulls all of America into the future." (Gordon, 1992.) We should support urban policies, the mayors maintained, because healthy cities power the entire economy.<sup>3</sup>

Clearly, part of the reason for the shift in rhetoric is that city advocates realized that, from a political perspective, the old arguments were no longer sufficient to defend urban policies. Historically, urban policies began to decline during the last 2 years of the Carter administration, suffered precipitous cuts during the Reagan/Bush years, and have

continued their decline during the Clinton administration. The Democratic Party has been neither willing nor able to defend traditional urban programs, which are widely perceived as failures. In an age of huge Federal deficits and rising conservative hostility toward government, a defense of urban programs on the basis of compassion for the poor will be widely disregarded.

At the same time as the old arguments about compassion were falling on deaf ears, the political leverage of cities as interest groups that could demand urban policies in exchange for their votes was eroding. The decline of the urban electorate as a percentage of the Democratic vote, coupled with the fact that urban voters had nowhere else to turn, meant that cities were in a weak position to demand urban policies in exchange for their votes. The 1992 election was proclaimed by the media as the first in which suburbanites constituted a majority of the voters (Schneider, 1992). Bill Clinton won the Presidency in 1992 using a suburban strategy and making few promises to cities. The only major exception was his stimulus package, which contained significant public-works projects for cities. It was defeated in Congress, however, after recurring, halfhearted support from the new Administration.

Given the fact that the two main pillars of traditional urban policies, liberal compassion and effective political self-interest, have crumbled, it is not surprising that urban policy advocates have begun searching for common ground with suburbanites. The latter now constitute, if not an absolute majority, at least an effective veto power in American politics. Critics of the new regionalism suggest that arguments about the interdependence of cities and suburbs are merely last-ditch efforts to resuscitate the failed urban policies of the past. We turn now to these arguments, to see whether they can be reduced to political expediency or whether a valid case can be made that suburbs should act to solve inner-city problems in order to strengthen an entire region.

## Are Cities and Suburbs Interdependent?

A typology of economic relations between cities and suburbs generates three logical possibilities:

- Cities and suburbs could be in a win-win position if the prosperity of one is tied to the prosperity of the other, as when a corporate headquarters in the CBD leads to job growth in the suburbs.
- Cities and suburbs could be in a win-lose, or zero-sum, competition if the prosperity of one is tied to the decline of the other, as when a factory moves from the city to a suburb, taking the jobs and tax base with it.
- Cities and suburbs could be in a situation in which the prosperity of one has no relationship whatever to the prosperity or decline of the other, as when a suburban business with no connection to the city saves and invests to create new jobs.

The simplest way to test for the type of relations that exist between cities and suburbs is to correlate conditions in cities with those in surrounding suburbs. Implicit in a correlational study are the following assumptions:

- If economic conditions in suburbs and cities are positively correlated, a win-win situation is evident, substantiating the contention that support of urban policies that aid regional growth is in the economic interest of suburbanites.
- If the correlation is negative, the result will be a zero-sum relationship, with suburbs prospering at the expense of cities.

- If no correlation exists, cities and suburbs vary in random fashion, and it is evident that the suburban and central-city economies are independent of each other.

A number of scholarly studies have found evidence for the first position: high positive correlations between central cities and suburbs in population, employment growth, and income. Hank Savitch (1993) and colleagues have shown, for example, a statistically significant correlation between per capita income in 59 central cities and per capita income in their surrounding suburbs in both 1979 and 1987. Richard Voith (1992), an economist with the Federal Reserve Bank of Philadelphia, found a positive correlation in the 1970s and 1980s for population and income for 28 metropolitan areas. Larry Ledebur and William Barnes (1992) found that metropolitan areas with lower income disparities between central cities and suburbs had higher metropolitan employment growth from January 1988 to August 1991. The implication of all these studies is clear: The economic well-being of suburbs is tied to the well-being of cities. Moreover, lessening the gap between central-city and suburban incomes will aid the growth of the entire region.

There are many problems with these correlational studies.<sup>4</sup> First, correlation does not prove causation. Positive correlations between cities and suburbs are consistent with many different causal relations. At the very least, researchers need to control for a number of factors to make sure that positive correlations are not caused by a third factor. Instead of influencing each other, central-city and suburban economies could be affected similarly by a factor such as the success or failure of the entire region in the national economy. Another variable that needs to be controlled for is the percentage of the metropolitan population governed by the central city, which can vary from 15 percent (Boston) to 80 percent (Albuquerque).<sup>5</sup> Also, when correlations are high, a way to test for the direction of the causality must be found. For example, does inequality between cities and suburbs cause slow growth in regions, or does slow growth in regions cause greater inequality between suburbs and central cities, as inner-city poor and minorities are the first to be laid off in an economic downturn? Simple correlational studies cannot answer such questions.

## Modelling City/Suburban Interdependence

The key weakness of the correlational studies is that they do not specify a theoretical model for interpreting the facts. Facts do not speak for themselves; high positive correlations are consistent with many different functional relationships between cities and suburbs. To interpret correlations, we need a theory or model of the interdependence of cities and suburbs. From the theory, we can deduce a range of hypothesized relations that can be tested with the data.

The central theory underlying the city/suburb interdependence hypothesis is that cities have unique agglomeration economies that benefit the entire region (Persky et al., 1991). Cities and suburbs depend on each other because they exist in a relationship of functional specialization in which functions that require high density and diversity are concentrated in cities, while those that require more space and lower land costs gravitate to the suburbs. The unique contribution of cities is based on the well-established principle of economies of agglomeration. The examples most frequently cited are downtown CBDs, but other examples, such as industrial parks, are also discussed in the literature.<sup>6</sup>

The basic principle behind economies of agglomeration is that concentration makes doing business more efficient for firms by providing access to specialized business services and by reducing the cost of face-to-face communication. Corporations headquartered in CBDs

attract business services; as its size increases, the downtown area is able to support more sophisticated business services, such as specialized law firms or sophisticated computer software companies. High density also facilitates the rapid exchange of information through face-to-face contacts that are especially important in innovative and rapidly changing fields. The fashion industry in Manhattan is often cited as a case in point: The concentration of the industry within a small area allows designers to stay abreast of rapidly changing fashion trends. Moreover, in all types of businesses, face-to-face relations help build the trust that facilitates negotiations and contracts.

There are two arguments against the idea that cities, because of their agglomeration economies, perform crucial functions in the regional economy. The first argument is that technology is seemingly eliminating the need for face-to-face interaction. The second argument concedes that dense face-to-face interactions are still important in modern economies but asserts that suburbs are developing their own concentrations of employment and economies of agglomeration that compete successfully with central cities, especially the downtown areas (Muller, 1986; Fishman, 1987; and Garreau, 1991).

There is little scholarly evidence to support the first argument. Technology does not appear to be lessening the need for dense face-to-face relations.<sup>7</sup> Indeed, the role of place in modern economies has been rediscovered in recent years. There has been documentation of economies based on flexible specialization in which small- and medium-sized manufacturers cluster together, forming close relations with suppliers and generating their product in small batches for special-niche markets.<sup>8</sup> A burgeoning literature has documented the importance of “industrial districts.”<sup>9</sup> Advancing technology does not make place unimportant, but it does facilitate a sorting-out process in which certain functions that can be performed by routine labor, such as back-office functions, can be decentralized to the suburbs, while highly skilled functions such as corporate headquarters remain in the central city. There are still many functions—from law to accounting, from advertising to business consulting—that require the face-to-face interaction of cities. In fact advancing technology is making it possible for many command and control functions previously located close to the point of production to be centralized at a headquarters within a major city.

Although there is little evidence for the argument that technology has enabled the modern economy to transcend space and dispense with areas of dense face-to-face networking, considerable evidence indicates that suburbs increasingly are creating their own CBDs (known as edge cities), which are assuming the traditional functions of downtowns. Summarizing the literature on the importance of central cities to regional economies, Keith Ihlanfeldt (1995) concludes that central cities have very important agglomeration economies but, at the same time, suburbs are rapidly acquiring them. The question is whether or not central cities supply *unique* agglomeration economies not available in the suburbs.

Opponents of regional approaches to urban problems, such as Garreau (1991), conclude that suburban edge cities “contain all the functions a city ever has”; that is why he calls them “cities.” From a strictly economic viewpoint, it would be hard to name an economic function performed in cities that could not also be performed in suburbs. Toward the end of his book, Garreau confesses that edge cities lack “soul”—a sense of community and of history. His discussion of the specialness of urban places and of the way people give value to their lives by identifying with particular places suggests the limitations of a strictly economic approach to the question of whether or not suburbs can become completely independent of cities.

In 1961 Jane Jacobs suggested another reason why cities will never be replaced completely by suburbs. Jacobs stresses that it is not merely density but also diversity that is the principle of successful cities: “This ubiquitous principle is the need of cities for a most intricate and close-grained diversity of uses that give each other constant mutual support, both economically and socially.” While edge cities do create density, they are not characterized by nearly the degree of diversity that is found in cities. Research has shown, for example, that manufacturing companies located in diverse urban settings, when controlling for many other factors, tend to adopt the innovation of computer programmable automation more rapidly than companies located in other homogeneous areas with other companies like themselves (Harrison et al., 1994). While more research on this topic is needed, the findings suggest that one of the reasons why cities are important to regional economies is that their diversity encourages innovations and helps regions reinvent themselves in the face of global economic changes.

## The Limits of Economic Arguments

A central question in the literature is how to relate economic facts and normative prescriptions for policy. The research on city-suburban interdependence implies that the economic facts have direct implications for public policy: Public policies should reinforce existing trends. If researchers find, for example, that suburbanites are dependent on a prosperous central city for jobs and income, suburbanites should support policies that aid the central city. Conversely, if suburbanites are increasingly independent of the central city, then presumably it is not in their interest to support policies that aid the central city. If, as the philosopher David Hume told us long ago, one cannot deduce the *ought* from the *is*, how do researchers progress from economic facts to policy recommendations?

The unexamined assumption behind those correlational studies purporting to show interdependence and those claiming that suburbs are independent is that prevailing economic relations reflect individual preferences shaped by the imperatives of technology and changing consumer demands. Garreau’s *Edge City* (1991), for example, begins with the following sentence: “The controversial assumption undergirding this book is that Americans basically are pretty smart cookies who generally know what they’re doing.” In his review of *Edge City*, urban historian Kenneth Jackson (1991) chastised Garreau for ignoring the role of racism in public policy. “Quite simply, the playing surface has been tilted for so long against our traditional cities,” Jackson observed, “that the wonder is not that we have more than a hundred edge cities; it is that any old downtowns survive at all.”

Facts, in other words, do not speak for themselves. Everything depends on whether the analyst views the facts as having been produced on a level playing field or whether the field was tilted to produce a skewed result (and, therefore, public policy should engage in a kind of affirmative action to correct for the bias). Advocates of the new regionalism document the myriad ways that suburbanites are still dependent on central cities and conclude that they should support regional development policies that aid cities. Garreau, on the other hand, highlights the trends giving a clear indication that edge cities are making suburbs more and more independent of cities.

It is impossible to choose between the two arguments solely on the basis of facts. One attraction of the new regionalism is that it offers the possibility of arguing for new urban policies on the basis of a hard-nosed analysis of the facts and an appeal to the self-interest of suburbanites. No amount of data-gathering, however, can finesse the normative questions. If a future researcher were to find that suburbanites had succeeded in creating a society completely separate from cities, we would not necessarily conclude that policymakers should reject this separation and no longer engage in regional planning.

Indeed, if the separation were created, not by free choice and democratic politics but by the market power of an elite group seeking racial superiority and apartheid, consistent Democrats would be forced to conclude that public policies should operate to overcome the separation. Policy implications depend on the normative model or standard that underlies the analysis.

The attempt to argue from economic facts to normative policy implications is clearly evident in the new regionalists' discussion of the place of regional economies in the new global economy. Their argument is that competition in a global economy is not as much between cities or nation-states as between regions. As Peirce et al. (1993) put it, "To compete in this new ball game requires parallel restructuring of economics and governance at the regional level." Our competitors in Germany and Japan are engaging in regional planning, and economic forces will eventually compel us to follow suit. It is striking that free-market conservatives make just the opposite argument. A number of years ago, the McGill Commission argued that global economic restructuring required an emptying out of older central cities, and that governments needed to aid this restructuring without trying to counter it (President's Commission for a National Agenda for the Eighties, 1980). Recent books by bestselling authors such as John Naisbitt and Alvin Toffler suggest that global economic trends require the shrinkage and decentralization of government, not the creation of powerful new regional governments.

Contrary to the economic arguments of the new regionalists, regions can adapt to the global economy in many different ways.<sup>10</sup> Urban restructuring is driven not only by economic interests but also by people's values and beliefs and by the institutional structures through which the economy operates. Clearly, present trends in regions of the United States are toward the increasing separation and independence of suburbs from cities. These trends must be critically examined, however, to see whether they are a natural expression of free choice in the marketplace or whether they were shaped by other values and institutional practices. As Paul Ong (1994) notes, "It may be that people outside the inner-city are willing to suffer some economic losses to secure their separation and social privileges." Clearly, in that case public policies should not affirm the separation.

Admittedly, the strategy of examining existing relations between cities and suburbs in a skeptical light opens a can of worms, for it puts the analyst who takes a critical view of existing trends in the position of being charged with elitism. That is essentially the charge Garreau levels at critics of edge cities. He has stated that he finally gave up his elitist ways and came to understand that Americans love cars and suburbia but dislike planning. However, to uphold choice and argue against centralized planning is one thing, but to assert that existing regional patterns reflect free choices in an unfettered market is something else. The assumption of the naturalness of metropolitan development patterns needs to be examined critically.

## Regional Trends and Market Failures

The principal framework for a critical examination of the forces that are leading to the separation of cities and suburbs is welfare economics, and the key concept is market failure. A market failure occurs any time the basic assumptions of a free and fair marketplace are violated—such as when uninvolved third parties are affected by an exchange (externality). Market failures have been deeply implicated in the process of U.S. suburbanization.<sup>11</sup> The involvement of market failures suggests that the rate of suburbanization in the United States is excessive or, at any rate, beyond that which would be caused by a free market. One market failure is the underpricing of transportation, manifested in Federal subsidies for the interstate highway network and low gasoline prices that do not

reflect the true cost of driving (which also includes pollution and congestion). Another example is the subsidizing of new, suburban, single-family housing through the Federal tax code. Yet another example is the prevalence of exclusionary land-use controls that have prevented the poor from moving to the suburbs. The effect has been to keep the poor crowded into inner cities and create a centrifugal force as those who can afford to spend more money move to the suburbs to escape crime, social problems, and the fiscal burdens concentrated in the central city. Finally, as many are aware, the American pattern of low-density suburbanization has significant environmental costs as well.<sup>12</sup>

Existing literature on the new regionalism assumes, for the most part, that the key indicator of the quality of life is the aggregate amount of economic activity or number of jobs in the region. A more comprehensive and realistic treatment of the new regionalism debate would include, along with issues of production, issues of consumption, especially those pertaining to housing. Oliver Byrum, former director of city planning in Minneapolis, points out that as long as the middle and upper classes meet their housing needs by building new housing on the outskirts of metropolitan areas, the poor will be left with the devalued housing of the inner cities (Byrum, 1992). The most serious market failure in housing is clearly the continued practice of racial discrimination 27 years after the passage of the 1968 Fair Housing Act (Massey and Denton, 1993; and Orfield and Ashkinaze, 1991). As a result, the urban poor and minorities are isolated by poor transportation and other problems from routine back-office and manufacturing jobs located in the suburbs.

Market failures have been identified not only in private-market transactions, but also in the actions of local governments. Beginning with Charles Tiebout's original 1956 formulation (Tiebout, 1956), public-choice theorists have argued that the fragmented system of local governments creates a public marketplace that forces governments to become more responsive to the needs of mobile citizens/voters.<sup>13</sup> After criticizing the correlational studies of central city-suburban interdependence as theoretically unspecified, Ned Hill, Hal Wolman, and Coit Ford developed a model of city-suburban interdependence based on fiscal externalities (Hill et al., 1994). Their basic idea is that central cities become saddled with a disproportionate share of the social service needs of the poor. As a result city governments are forced to skimp on infrastructure investment and raise taxes, causing a downward spiral in property values and investment and accentuating the fiscal crisis. Central-city deterioration eventually hurts CBDs, which are a key regional growth pole. Since alternative locations in the suburbs are more expensive and less productive, the whole regional economy suffers.

Welfare economics provides a powerful set of tools for critically evaluating the prevailing trend toward the increasing separation of suburbs from central cities. Documentation of market failure calls into question the conclusion of theorists such as Garreau who argue that the suburbanization of employment reflects only the interaction of changing technology and consumer choice in the free market. Clearly, governments have exerted power over the market to shape suburbanization patterns. The forced concentration of the poor and minorities in central cities has created a centrifugal force that has stimulated hyper-suburbanization and low-density sprawl. As Peirce et al. (1993) observe, the relocation of factories and office complexes to the periphery is motivated not only by economic efficiency concerns: "Sometimes they are obviously escaping the cities' minorities and crime." The idea that suburbanization in the United States has been driven by a desire to escape the poor and minorities trapped in the inner city is called the "push hypothesis" (Guterbock, 1976).

As a tool for making the case for new forms of regional cooperation, however, welfare economics is limited. Like market economics, from which it is drawn, the goal of welfare economics is to rationalize economic relations. It does not take into account social or political values, let alone a broader vision of regional development. Research shows, for example, that many suburban dwellers still rely on jobs in CBDs. The fiscal externalities argument shows that these jobs are threatened by the fiscal crisis of central-city governments, as well as by social problems in neighborhoods surrounding the downtowns. But these arguments imply only that suburban voters should support urban policies to aid downtowns—not to address the social problems of city neighborhoods. At its worst this policy approach would duplicate many of the mistakes of urban renewal, creating what Barnes (1994) called a “citistate growth machine.”

A broader vision that takes into account social and political values is needed. Speaking about the metropolitan government movement in the 1960s, Norton Long (1962) stressed the need for a broader vision:

The apostles of metropolitanism are coming to realize that the vision they are seeking is something more than a better means of moving traffic, an improvement in the plumbing, or even an increase in the competitive position of the local economy. It is the possibility of attaining a shared common goal of a better life.

When political institutions are viewed as expressions of economic interests, as they are in much of the recent debate on the new regionalism, the broader vision of politics is lost.

## Toward a Political Vision of Regionalism

A proper analysis of regionalism must go beyond economic interests to ensure that regional reforms are rooted in the values and moral beliefs of the citizens. Social scientists tend to ignore values and ethical beliefs in favor of the more easily quantifiable category of material interests. To quote Long (1962) again: “The ethical structures of political societies are not merely *oughts* for the sermons of theologians and the homilies of moral philosophers, but in all scientific seriousness are most significant *is’s* [sic] for empirical inquiry.” While I know of no survey that asks citizens about their values and moral beliefs pertaining to the new regionalism, enough information exists to give us a good idea of what citizens want.

The evidence suggests that Americans do not want either of the extremes in the new regionalism debate: They do not want a new layer of regional government, but at the same time they do not want the chaos of competing fragmented governments and private actors. The history of referendums on regional governments makes clear that most citizens do not want top-down regional governments that can override local land-use controls, nor do they want to see resources redistributed to central cities. At the same time, the emergence of growth control movements around the country suggests that most people do not want what the present system is giving them: a sprawled-out pattern of suburban development with huge costs in environmental destruction, increasingly expensive housing, traffic congestion, and other urban ills. Low-density suburban sprawl is linked with greater concentration of poverty and social ills in cities to potentially deadly effect, as demonstrated by the 1992 riots in Los Angeles.

Political values are at stake in urban development patterns and should not be ignored by the new regionalists. While suburbanites may indeed be increasingly independent of city dwellers, political reasoning suggests that this trend should not be reinforced by public

policies. As cities become isolated from suburbs and class, ethnic, and racial divisions are reinforced, large segments of the urban population become politically alienated. As Ledebur and Barnes (1992) document, in the Nation's 85 largest metropolitan areas, central-city per capita income as a percentage of suburban per capita income fell from 105 percent in 1960 to just 84 percent in 1989. We should be concerned about the widening inequalities between cities and suburbs, not only because they will hurt regional growth but also because they will undermine social cohesion and political legitimacy. We are witnessing a failure of a phenomenon known to political scientists as *political incorporation*. Evidence for the failure of political incorporation lies in the fact that voter turnout in cities is significantly lower than in the rest of society. In 1992 the turnout rate in 12 major cities was 11.1 percent lower than in the rest of their respective States (Sauerzopf and Swanstrom, 1993).

Clearly, connections between city dwellers and suburbanites are being severed. A *New York Times* survey of residents of suburban counties surrounding New York City found that suburbanites felt fewer and fewer connections to the city. Between 1978 and 1991, the percentage of respondents who said that events in the city had "hardly any impact" on their daily lives increased from 39 to 51 percent (Glaberson, 1992; and Kolbert, 1991). In an atmosphere of ignorance, damaging stereotypes of city life can flourish, fed by a media that constantly portrays city dwellers, especially minorities, in underclass terms. The we/they imagery of the War on Drugs and the scapegoating of welfare recipients are two examples of the political dangers of extreme separation. Withdrawn into suburban enclaves, middle-class whites can develop unrealistic stereotypes of inner-city minorities. In fact only 1.08 percent of the population lives in so-called underclass neighborhoods, which are only a small part of most central cities (Downs, 1994). As Manuel Pastor (1994) argues, one reason we need to connect inner-city residents to jobs in the suburbs is to "breed the personal urban-suburban connections that lead constituents—and eventually politicians—to 'humanize' inner city residents and recognize a common destiny." Anthony Downs (1994) has observed that meaningful regional reforms are impossible without "effective metropolitan area solidarity."

Our image of metropolitan community, however, should not be a melting pot of sameness but should instead reflect the diversity of communities that are present in metropolitan areas. Pastor has identified a sociological standard that needs to be taken into account when examining regional development.<sup>14</sup> Under the present system of regional development in Los Angeles, most Hispanic Americans are faced with a painful dilemma when they move up the economic ladder to the middle class: Should they remain in the old neighborhood, with all its social costs in terms of crime and personal safety, or should they move to the relative safety of the suburbs and lose contact with the language and cultural institutions of the Hispanic community? People who succeed economically should not be forced to abandon the central cities in order to find safe, livable neighborhoods.

The new regionalists tend to project a future in which regional planning helps to integrate every individual into a homogeneous social structure. Behind the new regionalism is an image of metropolitan areas as melting pots in which differing racial, religious, and ethnic groups are randomly mixed in the social structure. This essentially liberal vision of an integrated society is attractive because of its potential to overcome the injustices of segregation, especially those concerning race. However, I do not think that it corresponds to American history or to American values (Glazer and Moynihan, 1963).

As we witness with horror the outbreak of religious and racial strife around the globe, it is worthwhile to reflect on the ways in which a country as diverse as the United States has managed to avoid such a fate. While such a topic cannot be covered adequately at this

time, I think a reading of urban history would show that the principle of separation, as much as that of integration, has helped to keep the peace. Immigrants to American cities have been able to establish their own communities essentially free from interference by a powerful state. Political machines protected immigrant minorities from interference by majorities, while at the same time they integrated immigrants into the economy by giving them a piece of the patronage action.

The importance of separation suggests the need for a vision of regional development that includes a community empowerment strategy, or what Thomas Angotti (1993) calls *integrated diversity*. This vision does not necessarily mean moving jobs to the inner city—a strategy that is often unrealistic, given the space and other requirements of low-wage, entry-level jobs. People who live in the inner city must be connected to suburban job networks. Mark Allen Hughes' (1991) work on reverse commuting is designed to overcome the problems created by segmented housing markets in regional economies. Linking inner-city residents with jobs in the suburbs will return money to urban neighborhoods, helping to make them more livable. Urban aid should work through community-based organizations (CBOs). The prevailing image that inner-city neighborhoods are passively waiting for the Federal Government to bail them out is false. Every major city in the country has a network of CBOs working under difficult conditions to address urban problems. They need help.

In *Citistates* (1993) Peirce et al. discuss the idea that the goals of the new regionalism should be to respect multiculturalism and to provide well-developed civic institutions that will enhance the power of communities to meet their own needs. Under his vision of regionalism, governments operate less as service providers and more as facilitators. Stronger regional planning is compatible with community control and neighborhood empowerment. As Margaret Weir (1994) puts it: "The biggest challenge is to connect local community development and organization with sources of regional growth and prosperity."

Our political vision of the new regionalism should incorporate a balance between centralization and decentralization. Clearly, the age of general-purpose regional governments is past. People are suspicious of strong regional governments, fearing with justification that they will usurp the rights of individual communities. In the tenth Federalist Paper, James Madison, writing in support of the proposed U.S. Constitution, warned against the dangers of tyranny by the majority. Clearly, what is needed is a regional governance structure that protects the rights of minorities. Instead of forming strong, general-purpose regional governments, Peirce et al. (1993) argue, the new regionalism should develop from specific win-win arrangements negotiated by a wide range of public and private players, with each player essentially having a veto over the outcome. The kinds of specific partnerships being developed by Theodore Hershberg's (1994) Center for Greater Philadelphia can slowly build the trust that is necessary for stronger regional governance structures. They cannot be imposed from above.

The greatest weakness of the new regionalism debate is that it is trapped in the terms of the liberal/conservative debate: Do we want more government, or do we want freer markets? Judging from the 1994 congressional elections, it would seem that most citizens reject government in favor of the market. However, the costs of the present system of urban development, which is dominated by private-market development with weak regional planning, are becoming apparent. Anthony Downs (1994) documents the costs of what he calls the model of "unlimited low-density development" that "has dominated nearly all American policies affecting metropolitan area growth for more than four decades." These costs include excessive automobile travel and traffic congestion; lack

of affordable housing; air, water, and solid-waste pollution; and excessive loss of open space. The costs of seeking to escape the problems of the inner city by moving farther and farther into the suburbs eventually arrives “through the back door.”

The true costs of suburban separation and sprawl, however, cannot be captured in an economic framework. The biggest issue in the 1994 elections was not government so much as the collapse of the family and community institutions. Government was targeted as the cause of the collapse of civil society or community (Will, 1995). But it is clear that a major cause of stress on the family and decline in community is the pattern of urban development. In order to afford a home in the suburbs—considered by many to be a necessity to escape crime and poor schools in the cities—both spouses are forced to work and, increasingly, to work longer hours. In addition, the sprawling nature of suburbia means that more time is spent commuting to work and performing the errands necessary to daily life. As a result leisure time has declined rapidly (Schor, 1992). Parents are able to spend less time at home with the children, and “latchkey children” are an increasing concern. In addition, two-worker households have less free time to devote to community volunteer projects.

A regional development strategy that included facilitating the relationship of work and residence through higher density, mixed-use developments surrounded by greenbelts, and infill development in cities could help people become less dependent on both (private) automobiles and (public) mass transit. This strategy might also give people more free time to devote to the institutions of civil society. A vision of regional planning that made people less dependent on markets and government and helped buttress the institutions of civil society so that people could control their own communities would, I think, inspire action.

## Conclusion: Social Capital and Regional Cooperation

In a comprehensive evaluation of regional government in Italy, Robert Putnam (1993) concludes that its success depended not so much on economic prosperity or institutional design as on the civic traditions of cooperation and trust that existed in various regions.<sup>15</sup> Putnam draws on James Coleman’s idea of “social capital”: norms of reciprocity and networks of civic engagement that enable people to trust one another and cooperate to achieve common goals. In analyzing the impressive prosperity generated by economies of flexible specialization in the Third Italy, Putnam argues that social capital may be more important than economic capital.<sup>16</sup>

Putnam’s analysis has the virtue of calling our attention to the importance of social factors if regional initiatives are to succeed without a regional authority simply imposing solutions on separate communities. Most of the new regionalists’ arguments that are based on economic factors focus on the substance of regional policies but overlook the importance of the process of consent. Because social capital accumulates very slowly (Putnam traces the differences among regions in Italy back more than 1,000 years), Putnam’s analysis seems to suggest that there is little we can do in the short run to promote regional cooperation if the social capital is lacking.

But case studies of relatively successful initiatives in regional cooperation suggest that there are things that can be done. Louise Jezierski (1994) describes ways in which decades of public-private partnerships in Pittsburgh have helped to build a civic infrastructure of voluntary associations and nonprofit organizations that makes successful regional cooperation possible. The history of the partnerships is not one of uniform success, but political and corporate leaders frequently have taken the initiative in building

Pittsburgh's social capital. Minneapolis and St. Paul form another metropolitan area where enough social capital has accumulated to make possible regional initiatives that, with the exception of Portland, Oregon, are probably the most developed in the United States. Suburbanites in the Twin Cities area did not automatically see their economic interests enhanced by regional cooperation. Political leaders, most notably Myron Orfield, worked for years to put regional planning on the agenda and to identify its benefits. In his analysis of metropolitan planning in the Twin Cities, John Harrigan (1994) concludes:

In the last analysis, the key issue is still a political one. Alleviating regional disparities, containing sprawl, and positioning the region for global competition cannot be achieved by a bureaucratic agency. It can only be done by a position of leadership that has its own political base of support.

Political leadership for regional reform should be based on realistic analysis of economic forces and interests, but ultimately we need much more than that. We need a vision of the future. Ideas matter.

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## Notes

1. See also Muller (March/April 1986) and Fishman (1987).
2. Between 1980 and 1987, grants to State and local governments fell 15 percent in constant dollars, while payments to individuals increased 27 percent.
3. Writing for the National League of Cities, William Barnes and Larry Ledebur (1994) argue that the U.S. economy should be considered a federation of regional economies, each with its own growth dynamics.
4. For a critique of the correlational studies, see Hill et al. (1994) and Ihlanfeldt (1995).
5. We tend to treat the categories of "city" and "suburb" uncritically as natural expressions of underlying realities. In fact these categories are arbitrary political constructions, and the dividing line between them is simply the jurisdictional boundary between the original central city and the rest of the metropolitan area. As such, the categories of cities and suburbs often lump together phenomena that are different, such as inner- and outer-ring suburbs, while separating phenomena that are quite similar, such as urban and suburban shopping malls.
6. For basic discussions of economies of agglomeration, see Mills and Hamilton (1989) and Heilbrun (1981).
7. For a summary of the evidence on this point, see Ihlanfeldt (1995), pp. 131–132.

8. For the founding statement on flexible specialization, see Piore and Sabel (1984).
9. For recent citations on this literature, see Harrison et al. (1996).
10. As Savitch and Vogel (1994) conclude: "There is little evidence that pressures for global competition or infrastructure placement will lead to more regional or metropolitan government."
11. For a discussion of market failures that have promoted excessive suburbanization, see Mills and Hamilton (1989).
12. For a summary of the uncompensated costs of extreme suburbanization, see Judd and Swanstrom (1994).
13. For a clear statement of the argument that competing autonomous local governments are more efficient than a centralized regional government, see Ostrom and Ostrom (1971).
14. Presentation at the "Rethinking the Urban Agenda" Seminar. May 20–22, 1994. Elkridge, Maryland: sponsored by the American Sociological Association.
15. See Putnam (1993). The relevance of Putnam's work to the new regionalism debate was suggested to me by Rebecca Morales in her comments at the HUD/SSRC Roundtable on Regionalism, Washington, D.C., December 8–9, 1994.
16. The Third Italy refers to the north-central part of Italy, which is distinct from either the industrial heartland around Milan and Genoa or the agricultural south. The area has been studied extensively because it has built a remarkably successful manufacturing economy without large corporations.

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