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# URBAN POLICY ANALYSIS

Directions for  
Future Research

Edited by

**TERRY NICHOLS CLARK**

VOLUME 21  
URBAN AFFAIRS ANNUAL REVIEWS

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## Preface

A CONFERENCE helped initiate this volume. Twenty persons presented papers and discussed these issues at the Conference on Comparative Urban Policy Research held April 26-27, 1981 on the University of Chicago campus, supported by the National Science Foundation.<sup>1</sup> Conference participants and papers were as follows:

- Robert L. Lineberry, Northwestern University, "New Wine in Old Paradigms"
- Paul D. Schumaker, University of Kansas, "Theoretical and Methodological Issues Regarding the Investigation of Citizen Preferences and Policy Responsiveness Through Comparative Urban Research."
- John R. Logan, SUNY Stony Brook, "Metropolitan Political Economy"
- Mark Schneider, SUNY Stony Brook, "Population Change and the Fiscal Condition of Metropolitan Communities"
- John D. Kasarda, University of North Carolina at Chapel Hill, "Population and Economic Base Changes in Metropolitan Areas"
- Peter H. Rossi, University of Massachusetts, "Estimating Program Impacts Using Time Linked Small Area Census Data"
- Terry Nichols Clark and Lorna Crowley Ferguson, National Opinion Research Center and University of Chicago, "Political Leadership and Urban Fiscal Policy"
- David Knoke, Indiana University, "Urban Political Cultures"
- Roger Friedland and William T. Bielby, University of California, Santa Barbara, "The Power of Business in the City"
- Ronald S. Burt, University of California, Berkeley and SUNY Albany, "Spatial Models of Community Leadership," and "Comparative Power Structures in American Communities"
- Elinor Ostrom, Indiana University, "Productivity in the Urban Public Sector," and "Urban Resources, Institutions, and Outcomes"
- Thomas J. Anton, University of Michigan, "Data Systems for Urban Fiscal Policy"
- George S. Tolley and Larry E. Huckins, University of Chicago, "Capital Requirements and the Future of Cities" and "Investments in Local Public Infrastructure"

## Other participants included:

Roland J. Liebert, Program Director for Sociology, National Science Foundation

Kenneth Prewitt, Director, National Opinion Research Center, University of Chicago, and President, Social Science Research Council

Gerald D. Wright, Program Director for Political Science, National Science Foundation

Thomas Smith, National Opinion Research Center

Michael Traugott, Inter-University Consortium for Social and Political Research

Each paper reviewed a subarea of urban research, stated some principal theoretical questions in the subarea, and indicated specific types of data that could be used to address these questions. Following discussion at the conference, the papers were revised or rewritten to incorporate suggestions and criticisms; the revised versions appear in Parts II through V of this volume. Important contributions in their own right, the papers take on further interest due to their preparation within a common framework.

The effort to identify common elements began at the conference and continued initially in a Conference Summary (June 1979) that was circulated to numerous urban researchers. The themes were then discussed by several of us with urban researchers at professional meetings. The next step was for seven of us to write a statement of common interest that would sharpen the focus by identifying common themes, research hypotheses, and critical data to collect. The result, "Urban Policy Analysis: A New Research Agenda," constitutes Chapter 2 of this volume. It was submitted to the National Science Foundation as a proposal for a continuing research project. While some reviewers showed considerable enthusiasm (and several suggested the proposal be published), the magnitude of the effort was such that it was deferred. As this is being written, federal funding for urban research is very much in flux. To undertake a project of the kind outlined here is obviously more ambitious than many; but so are its payoffs. Just how the themes considered might best be adapted to changing concerns of funding agencies and policy-oriented urban researchers clearly demands discussion by interested persons. This volume is presented to help stimulate such discussion.

*Chicago, Illinois*

*Terry Nichols Clark*



## NOTE

1. "Comparative" has not been retained in the title for this volume, despite the international audience of Sage *Urban Affairs Annual Reviews*. In fact, although we generally focus on American cities, we have sought to unravel important questions by comparing them with each other. "Policy" generally refers to decisions made by public officials; and "policy-oriented" research or analysis, to studies that might inform such decisions. The scope of the volume is considered further in Chapter 1.

The Center for Urban Studies of the University of Chicago helped arrange for the conference, and Kenneth Prewitt offered a reception.



# **Part I**

## **Introduction**



## An Overview of the Volume

TERRY NICHOLS CLARK

IN THE LAST DECADE, elected officials in many cities, state capitals, and Washington have grown far more sophisticated in their concerns for useful information about the urban programs that they help design and fund. Simultaneously, researchers have developed more powerful techniques for addressing critical policy issues. Elected and administrative officials were less likely to request sophisticated analyses just a decade or so ago, and researchers were less equipped to respond to their concerns. Sufficient work has now been completed using data from ad hoc studies, the census, and other varied sources that the potential for more significant contributions has become clear. Here are some examples of important research questions elaborated below:

- What are the sources and solutions of the taxpayers' revolt? Which cities have been able to adapt policies to the concerns of their constituents? What factors lead cities toward or away from such policies? How much turnover in elected officials is there in different cities and over time? What are some of the causes of high turnover? How have citizens' and leaders' policy preferences shifted in relation to each other over time?
- How fiscally strained are different American cities? Why have some older, Northeastern cities that one might expect to be fiscally strained (such as Pittsburgh) been able to adapt and reduce fiscal strain, while others (such as New York) have had more difficulties?
- How can public service agencies be organized to deliver better services at lower costs? What are the effects on services of different types of subcontracting, of intergovernmental coordination, of centralization of authority, of salary and promotion criteria, of relaxing civil service regulations?

- What are the specific interrelations between movement of jobs and population? How much effort should cities put into attracting residents as opposed to firms? How about large versus small firms? How much of an impact do tax burdens and service delivery have on location decisions by residents and firms?

These are critical questions for federal and state officials concerned with cities, for city officials, and for urban researchers. Answers from the best research to date remain divided, but billions of dollars might be re-allocated if answers were clearer.

Many contributors to the volume have been active in both basic research and more policy-oriented work. The distinction between the two types of research is sometimes significant; other times it is not. The issues considered in the volume are often central to policy-oriented questions as well as to more basic research.

## ORGANIZATION OF THIS VOLUME

These major themes are reviewed in Chapter 2 ("Urban Policy Analysis: A New Research Agenda") and subsequent chapters. The Agenda (in an early section, headed "Four Foci for Research") indicates linkages among the four basic processes considered in the volume. The four are sufficiently interrelated to constitute a coherent research agenda, but broad enough to capture the major factors generating and influenced by urban public policies. While several papers elaborate propositions moving toward an integrated theory, our concern to keep the enterprise open to alternative perspectives led us to demote theoretical coherence to a secondary goal. Nevertheless, these four specific areas of emphasis were chosen because they had developed more coherent bodies of knowledge than most in the social sciences. Our goal is to stimulate future research by outlining several dozen suggestive hypotheses, but to do so in such a manner that researchers of many different perspectives can be challenged to build on them.

The four next sections of this volume summarize, first, the corresponding portion of the Agenda paper, and then individual papers in that section.

## URBAN POLITICS AND POLICY OUTPUTS

The Agenda outlines several theories that link political leadership processes to policy outputs of the political system. *Elite theories* stress social background characteristics of leaders. *Network analysis* considers linkages among social, economic, and political leaders. *Organized group*

*analysis* focuses on resources and influence processes of specific groups. *Coalition theory* considers how and why different groups and leaders join to affect public policy. *Citizen and leader preferences* concerning specific policies are the focus of spatial modeling work, while *political culture* usually concerns more general rules of game. *Bureaucratic theories* posit incrementalist rules or self-aggrandizing bureau heads as direct sources of policy. Surveying a national sample of urban leaders every two years or so would generate a rich store of data by which such alternative theories could be assessed; given current survey techniques, the cost would be reasonable for perhaps a dozen leaders in each of 50 to 100 cities. The Agenda lists a series of variables that would permit analysis of the alternative theories.

Individual chapters in this section consider related themes in more detail. Clark and Ferguson outline a theory of contextual relativism focusing on variables identified by the theories listed above. Rather than suggesting that the theories are right or wrong, they suggest when and where the variables they identify are differentially important in affecting policy outputs. Uncertainty in the minds of political leaders concerning citizen preferences is a key shifter variable, in that when leaders have complete information, one would expect them to become "invisible politicians," implementing policies preferred by citizens just as the invisible hand responds to consumer preferences in the private market. But seldom is information complete; as uncertainty concerning citizen preferences increases, leaders are more likely to act on their own personal preferences or to respond to bureau heads or leaders of organized groups in formulating policies. The political culture of a city acts as a resource facilitating certain types of coalitions and the ability of some actors to achieve their goals while discouraging others. Clark and Ferguson then outline a series of specific options concerning data collection procedures that, when applied to a national sample of cities, would permit testing theories of the kind proposed. They illustrate concretely how competing theories and findings might be reconciled through analysis of comparable data for a large sample of cities.

Burt focuses on two bodies of theory that have developed significantly in the last decade; spatial modeling and network analysis. Most work in each tradition has ignored the other. But the two offer complementary insights into policy formation; joining them can advance each tradition while generating a more balanced empirical interpretation. Spatial modeling stresses specific policy preferences of citizens and leaders and how they encourage coalitions among groups sharing relatively similar policy preferences (as in minimal range theory or policy distance theory). Leaders may variously respond to citizens, as indicated by a loss func-



tion of the discrepancy between a leader's policy preferences and those of a constituent. The driving force in such theories (variously labeled "public choice," "spatial modeling," "citizen preference," or "economic theories of democracy") is citizen preference. Political leadership is seen to function essentially as a clean market mechanism matching citizen and leader preferences in policy outputs. But little is indicated about how and why such a market might function if transaction costs increase. Network analyses can help here by focusing on the degree of interconnectedness among leaders, organized groups, and individual citizens. Considerable effort has gone into developing methods for measuring networks: their patterning, density, and overlap. But network analyses often remain relatively contentless; they do not offer as specific indications about which policies should be preferred as does the spatial modeling tradition. And the spatial modeling tradition has remained generally more mathematical and deductive, while network analyses have been more statistical and inductive. The two are sufficiently close and complementary that they can reinforce each other's insights. Burt suggests several examples of propositions that join the two.

Huckins and Tolley point to a gap in past research: capital infrastructure decisions of city governments. When and why do cities build roads, sewers, and sidewalks and variously maintain them? This question was raised with special concern in the late 1970s after cities like New York cut back on maintenance as a response to fiscal strain. Considering the 46 largest U.S. cities from 1955 to 1977, Huckins and Tolley analyze their capital and labor investments. Increases in citizens' income generate increased investments but with surprisingly different lag structures; the capital stock adjusts to long-run equilibrium levels in about 15 years, while labor adjusts in only half as long. Similarly, there were clear trade-offs between capital and labor, estimated by elasticities of substitution of approximately 2. This points to the importance of explicitly modeling capital-labor tradeoffs as alternative means to service provision—a theme elaborated in Chapter 8 by Parks and Ostrom. Most research has simply ignored capital investment and concentrated on annual expenditures or labor.

Huckins and Tolley then present a model for considering effects of maintenance expenditures on the capital stock. The billions of dollars represented by the capital stock of American cities, they suggest, is far more than adequate to cover pension liabilities, debt payments, and other future obligations of city governments. Nevertheless, current accounting procedures concentrate only on short-term flows of funds, such that few cities have even estimates of the value of their capital stocks, much less data sufficiently precise to permit modeling effects of maintenance

expenditures. Engineers' recommendations tend to fill the void, but these are often conservative and not presented in such manner as to encourage alternative maintenance levels as explicit policy choices.

Friedland and Bielby address relationships between business and city governments by reviewing three types of analyses. The first considers public involvement of businessmen directly. Although Hunter and Dahl differed in several respects, they agreed on the importance of collecting direct information concerning the importance of business actors in public decisions. These were mainly case studies which were superseded by comparative studies of community decision-making in the late 1960s. Such comparative work by Clark, Aiken, and others in turn led to a focus on urban socioeconomic characteristics linked to business power and decentralization of decision-making; characteristics included economic diversification, absentee ownership, location of national headquarters, and concentration of coordinative roles. Much of this work ignored specific business interests and possible policy impacts, although Crenson was one exception. A third approach analyzes not business participation in public decisions, but socioeconomic base characteristics, such as retail sales or housing value, and relates these to public decisions as the size of urban renewal programs. This approach depends on the assumption that the political power of business may be inferred from the magnitude of the relationship between socioeconomic characteristics and policy outputs. Each approach thus has its weaknesses, but Friedland and Bielby argue that it would be useful to consider more carefully the impacts of actual services delivered on business location. Exit may be as much as or more important than voice as a means by which business power may be exerted. But this implies collecting more detailed service delivery data and considering them more carefully in terms of their responsiveness to business interests than has occurred to date. Friedman and Bielby thus emphasize the importance of joining the traditions of political leadership and service delivery through a different kind of analysis of better data.

#### BUREAUCRATIC PROCESSES AND SERVICE DELIVERY

Political leaders may approve fiscal policies, but implementation in specific services varies considerably across cities, hence the importance of data concerning bureaucratic processes and service delivery. The Agenda lists major issues in this area: services as affecting location decisions of firms and individuals, relations between service provision and citizen participation, changes in service delivery when cities perform a broader range of services or serve larger constituencies, impacts on service delivery of contracting with different governments or private firms, and