WILLIAM A. SCHULTZE

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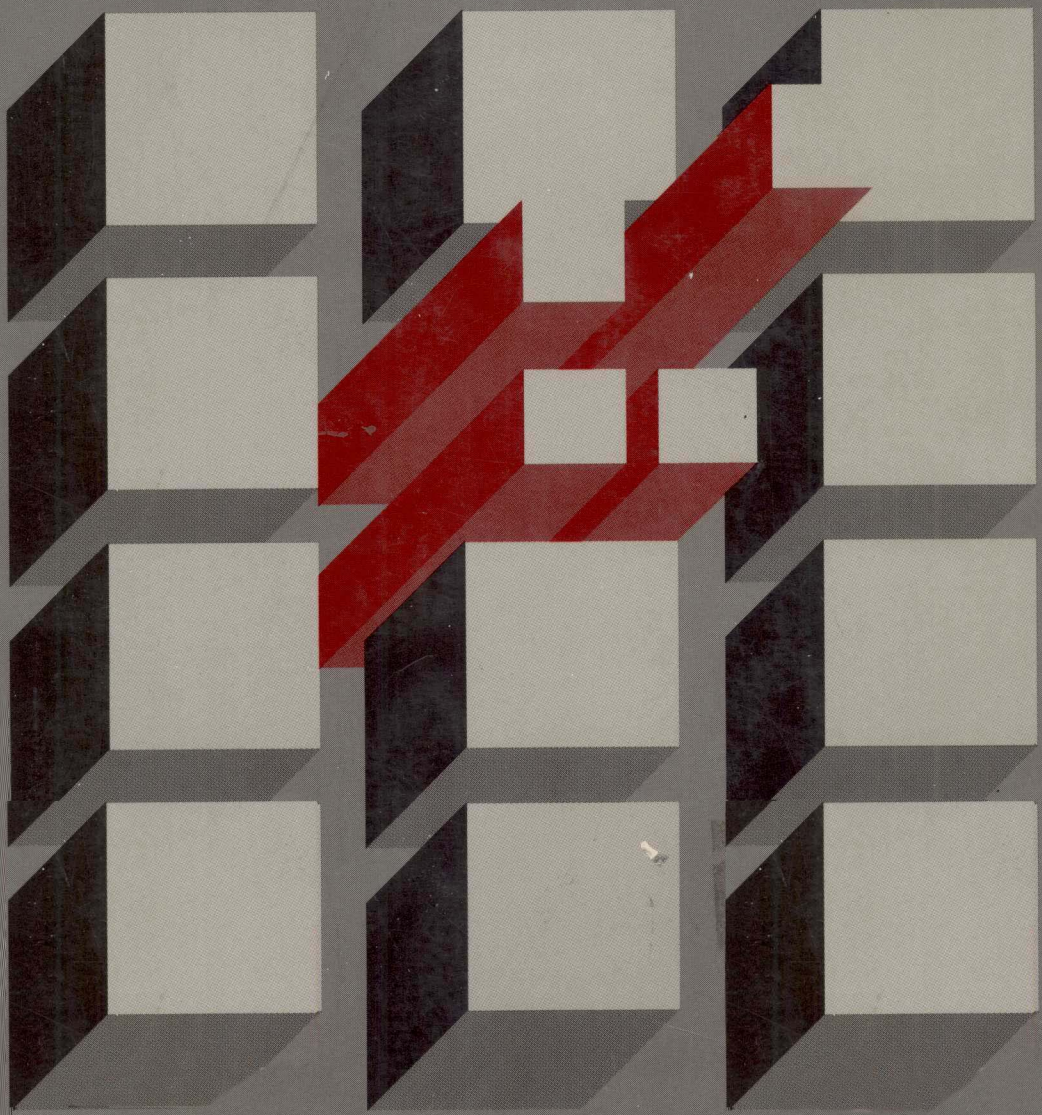
A POLITICAL ECONOMY APPROACH



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Preface

Everyone was concerned for the American city in the 1960s and 1970s. From ghetto riots to the fiscal crisis, urban problems were front page news and rich sources of funding for academic research. The rise of the social and political forces that eventuated in the election of Ronald Reagan in 1980 corresponded with the decline in our interest in cities. More precisely, the formulation of the public agenda for cities shifted from an emphasis on remedies for physical and social squalor to protecting the economic base. Human problems, so evident in our cities, attracted less attention than did concern for business and industrial health.

Dramatic changes such as these call for new perspectives and provide opportunities for deeper insight. This book aims to contribute to our understanding of the American city with a new synthesis of recent materials from a variety of contributing disciplines—political science, economics, sociology, public administration, finance, and history, for example. My highest ambition is to make a modest contribution toward some ambitious goals.

1. *To establish the study of urban politics firmly in general theory.*

As Kurt Lewin long ago observed, there is nothing so practical as a good theory. By that standard, studies of urban politics have tended toward limited

practicality. Scholars of urban politics have grown accustomed to noting the inadequacy of theory or "theoretical malaise" in the field. Surely, it has been lack of theoretical sophistication that accounts for the tendency of both scholars and citizens to view urban concerns as provincial.

2. *To put the study of American cities into an international context.*

The effort to understand American city politics fully, systematically, and theoretically inevitably leads one to examine the international context in which they are set. In fact, the forces that are at work creating what some call the "new world economy" are the ones that are fundamentally transforming our cities. Corporate flight to the "Sunbelt" is the domestic counterpart to corporate multinationalism. Life in our cities is not isolated and apart from the most important issues of the day but, rather, is a proximate crucible in which to examine, test, and understand the effects of these complex forces.

3. *To sketch the main features of urban political economy.*

Consistent use of a political economy focus will enable urban scholarship to advance toward a more theoretical and broadly relevant body of accumulated knowledge.

Political economy had in the recent past become nearly the exclusive preserve of economists. There is no reason to denigrate the substantial contributions that economists have made, but what has slowly been lost is the "political" emphasis. This book aims to redress that balance, not by overemphasizing the political, but by emphasizing the common context of both academic specialties. My vehicle for doing this is to examine political economy in terms of the prevailing worldwide ideological formulation, that is, as conflict among systematically stated neoconservative, liberal, and radical perspectives.[1]

This formulation emphasizes what has been missing in both the scholarly and the common public discussion of city politics: the fact of systematic, fundamental conflict. Most Americans tend to view the fundamental assumptions of capitalism as simply "truths," not as articles of faith. A more accurate, fair, and scholarly approach requires that we move back a mental step or two to see contemporary life—internationally, nationally, and locally—as a continuing struggle of differing political economies. Each ideology offers its own perceptions of facts, modes of analysis and understanding, truth, and prescription. So, rather than assume the position of advocate of any one of these positions, I have strained to present each ideology as fairly and fully as possible. My assumption is that mature and intelligent people who would continue to call their form of government "democratic" must make their own choices.

[1]This formulation appears in David M. Gordon, ed., *Problems in Political Economy: An Urban Perspective* (Lexington, Mass.: D. C. Heath, 1971).

4. *To raise the level of understanding of city politics so as to avoid simple partisanship in thinking, discussion, and research.*

It has been my own feeling that most of the available treatments of urban political economy are best understood as partisan pleas—although usually unintended—for one or another ideology, even many of those that claim the value neutrality of science. Science must begin with assumptions to test, and it is a strikingly different corpus of findings that a scholar makes when testing only capitalist assumptions than would be made if, say, Marxist assumptions were tested too. This is not to say that scholars intend to propagandize but, rather, to recognize that ideological reinforcement may easily become the effect of an inadequately introspective research tradition.

I have taken the liberty of classifying individuals, the bodies of their writings, and individual pieces of research in terms of these three ideological perspectives. That will inevitably prove offensive or simply wrong to some. As with all the material in this book, I take full responsibility for having done so. What I would hope is that more of us might become aware of the legitimacy and importance of recognizing the ideological congruence of our working knowledge. It need not be offensive, for example, for me to recognize that while I have no intention to reinforce, say, a liberal position, that a separate intellectual effort that aims to square my findings with liberalism is a legitimate and useful concern.

5. *To make the more esoteric concerns of academics readily understandable to introductory students and practitioners.*

Most non-specialists find it easier to connect their personal experience and common understanding to ideologically based formulations than to the less widely known frameworks of analysis that social scientists have more often used—such as the "systems" framework.

The effort to advance these goals is pursued here by first introducing the fundamental perspective and terms (Chapter 1), saving the central concepts of the ideologies of political economy—neoconservative, liberal, and radical—for a fuller treatment in Chapter 2. The remainder of the book traces the systematic conflicts among each of these ideologies on the usual topics of urban politics. Chapter 3 examines the differing formulations of the urban environment, particularly comparing the neoconservative "convergence" explanations with the more politically grounded explanations of liberals and the preferred "uneven peripheral development" formulation of radicals. Parallel conflicts are discussed as they surface in connection with describing the social and political environment of American cities. The major political actors are then located within this environment and are discussed in terms that also vary systematically by ideology, as they develop their consciousness and resources and formulate strategies (Chapter 4).

Chapter 5 carefully examines the patterns of coalition and conflict in American cities.

We move inside the institutions of city government in Chapter 6 and find that ideological conflict remains with us as struggles to shape the form of local institutions and determine what kinds of people take the leadership positions. Particularly important has been the transition from an "old reform" pattern to the "new reform" occasioned by the fiscal crisis of the American cities of the late 1970s.

The output of urban institutions—policy—is given relatively brief treatment in Chapter 7. There we focus on urban "performance" by comparing American cities with other cities of the world on a variety of indicators. Once again, we find that the performance levels are systematically interpreted differently from each ideological perspective. And, finally, in Chapter 8, I seek to summarize and trace the leading trends in contemporary urban politics.

There are always more people involved in a book than the author. In this ruggedly individualistic capitalist culture, I, of course, want my credit. But at moments, a latent socialism causes me to formulate myself more as a cooperative synthesis of the ideas and actions of others. The liberal in me causes me to walk the line here and just make a list of people who have in one way or another contributed to this book. Colleagues at San Diego State University, especially C. Richard Hofstetter, Woodrow Jones, Kathy Bulmash, Tae Jin Kang, Charles Andrian, Brian Lovemen, Louis Terrell, E. Walter Miles, Paul Strand, K. Robert Keiser, and James Conniff have, often without knowing it, recommended many of the materials that appear here.

I would like to thank the following reviewers who contributed a great deal to the improvement of the book: Gary L. Crawley, Ball State University; Lawrence G. Flood, University College at Buffalo; Nichola P. Lovrigh, Jr., Washington State University; Steve J. Mazurana, University of Northern Colorado; and Robert F. Pecorella, New York University.

I would also like to acknowledge the help of Veva Link and the support of San Diego State University. I appreciate too the able assistance of the many fine people at Prentice-Hall, especially Stan Wakefied and Linda Benson. In addition, several others contributed—including Sharon Schultze, Lela Prewitt, and Sandra Sutphen.

Desiree Scott deserves special thanks, most simply for her participation in all the phases of the creation of this book—from discussion of the central concepts to diagnosing the peculiarities of the word processor. But more important, she has been emotional support in some difficult times.

Finally, I dedicate this book to my three extraordinary children. Each in their own way is contributing to a better synthesis. Their very existence is proof enough to me that the universe is benign and that there is reason for optimism.

Contents

CHAPTER 1

Introduction to the Politics of Urban Political Economy

Urban scholars are addicted to analogies. The American city has been called a sandbox, a reservation, an ecology of games, heavenly and unheavenly, and a cemetery, among other things. While analogies are not to be taken as seriously as careful observation of the thing itself, they offer some dramatic guidance. Personally, I prefer to think of cities as the children of civilization. They are the result of indulging natural passions without thinking carefully about the consequences. When their reality is incontrovertible, we have strongly mixed emotions—sometimes proud of our miracles, sometimes fearing that they are the new Frankenstein. If conception and birth are difficult, teenage is traumatic. Douglas Yates has applied our favorite epithet for teenagers to our cities—that is, "ungovernable." Parents and urbanists tend to one of two basic orientations to teenage problems: "Indulge the kid, he'll grow out of it" or "I'm going to kill that boy."

Many critics of Lyndon Johnson's "War on Poverty"—a cluster of federal policies aimed at alleviating the social and economic conditions that presumably caused poverty—argued that "war" was not toughness, but indulgence. As those critics of the War on Poverty gained political power, even some of those influential urbanists who had helped create it, Daniel Patrick Moynihan, for example, began to re-examine their child-raising practices. By the time he joined the Nixon

administration, Moynihan was urging "benign neglect." Although it displeased liberal city-raisers, benign neglect was still not tough enough for many conservative critics. Some began to talk darkly about killing the kid.

Certainly the New York *Daily News* was exaggerating, as it occasionally does, when it headlined, "Ford to New York City: Drop Dead," during that city's fiscal crisis in 1975. But serious conservative critics were not just kidding around. William C. Baer challenged us to "admit that older cities and neighborhoods can die."[1] He detects our unrealism: "Cities may be 'sick' or 'deteriorating' but the belief is nevertheless held by experts and politicians alike that with proper treatment, these areas will recover and live forever."[2] Instead we must learn to think the unthinkable: "Urban death is very much in the natural order of things, to be taken in stride."[3]

Roger Starr, the administrator of the Housing and Development Administration of the City of New York, saves the interpretation from sounding like Jonathan Swift's modest proposal of infanticide by helping us to see that such a solution is benign when the killing is done by the increasingly ubiquitous Invisible Hand. Starr explains, "Part of the city's problem is that its exports have lost their attraction; in some industries like beer, the city's once thriving production has shrunk to exactly nothing. In others, like apparel, printing, and baking, the city's production for export and even for its own use has diminished drastically. Even much of the nighttime television production, once a New York monopoly, has moved to California."[4]

This perspective has gained sufficient currency to find its way into the self-proclaimed "objective . . . nonpartisan" President's Commission for a National Agenda for the Eighties Report that observed, "Whatever else they are, cities are economic entities; first and foremost they are the settings where great wealth is produced and distributed."[5] Noting the decline of the older northeastern cities and the rise of the Sunbelt to economic prominence, the Commission warned its urban children not to forget that "Contrary to conventional wisdom, cities are not permanent."[6]

Precisely where "politics" fits into this discussion is as difficult to see in this analogy to the daily conduct of urban affairs as it is in the family. We all know that it is there, but it hides under other labels like "truth," "rationality," respect for authority and submission to versions of a "higher order" expressed in various

[1] "On the Death of Cities," *The Public Interest*, Vol. 45 (Fall 1976), pp. 3–19.

[2] Ibid.

[3] Ibid.

[4] Roger Starr, "Making New York Smaller," *New York Times Magazine*, November 14, 1976, p. 33.

[5] President's Commission, *A National Agenda for the Eighties, Summary Report* (Englewood Cliffs, N.J.: Prentice-Hall, 1980), p. 66

[6] Ibid., p. 65.

ways, ranging from the Will of God to the Invisible Hand of the Marketplace. First, then, if we are to understand politics in any setting, we will have to decode common usage. People, be they parents, mayors, or business people, sometimes use language to assure compliance to their will. The words themselves are part of a political strategy. It is our opening need, therefore, to uncover the essence of the term "politics."

A DEFINITION OF POLITICS

It makes matters a bit more complicated that political scientists have no single agreed-upon definition of the term "politics." Traditional political scientists solve the problem by focusing on governmental institutions, on the specific content of constitutions and laws, and occasionally on "reform." In the post–World War II era, there emerged a challenging group, behavioralists, who wanted an alternative focus of study.

The behavioralists rebelled against traditionalism in a variety of ways, but particularly important to us, they felt the need for a careful differentiation of "politics" so that political behavior might be systematically observed.[7] Behavioralism also drew our attention to a need for more careful observation of the canons of science. Behavioralism, according to Robert Dahl, one of the pioneers in applying its tenets to the study of urban politics, exhibits (1) a decided preference for quantitative analysis of objectively selected data, (2) an insistence on the need for an explicit conceptual framework, (3) a demand for a research design that permits replication, and (4) a strong emphasis on the need to evolve theories of political behavior.[8]

During the 1960s, a number of criticisms of behavioralism occurred to political scientists. New Left Scholarship, as it was sometimes called, found much of the research of the behavioralists irrelevant to the real needs of both politicians and citizens. They argued that (1) substance is more important than technique, (2) behavioral science often masks an ideology of conservatism, (3) behavioral science is often apolitical, and (4) behavioral science in no way makes it clear that those with a specialized knowledge of politics have an obligation to take action,

[7]See particularly Harold Lasswell, *Politics: Who Gets What, When, How* (New York: McGraw-Hill, 1936); Charles E. Merriam, *A Study of Power* (Glencoe, Ill.: The Free Press, 1950); George E. G. Catlin, *The Science and Method of Politics* (Hamden, Conn.: Archon Books, 1964); and Robert A. Dahl, *Modern Political Analysis*, 4th ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1984).

[8]Robert Dahl, "The Behavioral Approach in Political Science: Epitaph for a Monument to a Successful Protest," *American Political Science Review*, Vol. 55 (December 1961), pp. 763–772.

when necessary, to protect and promote humane values.[9] To a degree, the extraordinary concern with the analysis of public policy that characterized the research of political scientists in the 1970s and 1980s was stimulated by such criticism.

Each of these three perspectives on the study of politics—traditional, behavioral, and critical—offers us different conceptions of politics. Among the several definitions that have been offered and used are the study of legal government,[10] power,[11] decision making,[12] the system that authoritatively allocates values in society,[13] communications control in organizations,[14] and a number of others. In this book I use a conflict definition of politics. Not that I am claiming something as simpleminded as truth in definition. Simply, it is the definition that most clearly focuses on the causes of concern for our cities, does not arbitrarily rule out consideration of important elements of our public life, makes it easy to draw upon the research of other academic disciplines, and makes quickly intelligible the structure of the situation.

Definition 1. Politics: The most inclusive process by which social conflicts are managed.

Such a conception will encompass the range of phenomena from value or ideological conflict to those interpersonal conflicts that affect more than the parties to the dispute. To a large extent, a conflict definition subsumes the much more common "power" definition. As a tradition of explanatory theory, the conflict conception should be associated with that form of social theorizing running from Machiavelli and Hobbes to Marx, Smith, and Weber that explains the behavior of individuals in terms of their pursuit of self-interest in a material world of scarcity, threat, and potential violence. As Randall Collins has summarized it, these social theorists see "Social order . . . as being founded on organized coercion."[15] As a

[9]David Easton, "The New Revolution in Political Science," *American Political Science Review*, Vol. 63 (December 1969), p. 1052, is the source of this formulation. It is a distillation of the critique of a large number of political scientists, a few of whom are Ira Katznelson, Lewis Lipsitz, Alan Wolfe, Peter Bachrach, Henry Kariel, David Kettler, and Michael Parenti.

[10]Charles Hyneman, *The Study of Politics* (Urbana: University of Illinois Press, 1959).

[11]Merrian, *A Study of Power;* Catlin, *The Science and Methodology of Politics:* Laswell, *Politics;* and Dahl, *Modern Political Analysis*. Also see Ira Katznelson and Mark Kesselman, *The Politics of Power: A Critical Introduction to American Government* (New York: Harcourt Brace Jovanovich, 1975).

[12]Richard C. Snyder, *Foreign Policy Decision Making* (New York: The Free Press, 1962); Donald Matthews, *The Social Background of Political Decision Makers* (New York: Random House, 1954).

[13]David Easton, *A Systems Analysis of Political Life* (New York: John Wiley & Sons, 1965); Gabriel Almond and G. Bingham Powell, *Comparative Politics: A Developmental Approach* (Boston: Little, Brown, 1966).

[14]Karl Deutsch, *Nerves of Government* (London: Free Press of Glencoe, 1963).

[15]Randall Collins, *Conflict Sociology: Toward an Explanatory Science* (New York: Academic Press, 1975).