THE POLITICS OF LOCAL DEVELOPMENT:
HOW AND WHY THE U.S. IS DIFFERENT

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CONTEXT

As a formal policy goal local and indeed regional development is historically quite recent. In the United States it begins to emerge in the 1930s with the formation of Departments of Development in a few Southern states (Anton and Reynolds n.d.) In the 1920s there had been talk in France about the need to reduce the pressures on labor and housing markets in Paris through state intervention but nothing came of it. In Great Britain, though, measures to facilitate investment in areas experiencing high unemployment had started in the 1930s. Even so, I think it fair to say that it is only after the Second World War that policy apparatuses with spatially targeted growth as their objectives become universal, even while their forms vary from one country to another and particularly between, on the one hand, the US, and on the other, the Western European countries.

Over the period since then there has been considerable social science interest in the different policies, their social bases, and their effects. For the most part the subsequent literatures have been quite inward looking with little in the way of comparative framing.¹ This seems a shame since as far as one can tell from the different writings, there are some quite significant differences between the problematics of local economic development policy as they have emerged in the various countries. The differences that I am particularly interested in in this paper are those between the US and the countries of Western Europe, or at least those of which I have some awareness. There are differences in the latter, certainly, but they are overshadowed by the

¹ There was some attempt to transfer concepts developed for the American case to the British. I think here, in particular, of work on growth coalitions and urban regimes. Significantly I do not think that these attempts were particularly successful.
utter distinctiveness of the American case. To anticipate some of what will follow and by way of example, policy in the American instance has been driven by local growth coalitions working with local government while in the West European case there have been strong, top-down policies to which local governments have been subordinate. Likewise in the US the various acts of location, of firms, state agencies and households that have always been at the center of policy have been more subject to the competition of growth coalitions one with another. In Western Europe they have been the object of greater degrees of central government intervention and planning, even while that has tended to diminish since the early 70s.

In short, there seems to be an important research question: Just how might one explain contrasts like these? This in turn raises the methodological issue of how one might go about investigating them? Inevitably in addressing these *differentiae specifica* of what I hope to demonstrate to be a distinctive feature of the advanced capitalist societies, I come at it from a fairly sustained grounding in one particular case: the US. In fact these arguments began as an attempt to shed light on what I regard and hope to defend as its utter distinctiveness. This helps to explain my less developed grasp and understanding of what has transpired in different Western European countries, though I know more about Great Britain than, say France or the Netherlands; and more about the latter than I do about Germany. Much of what I say, therefore, will be more suggestive than conclusive and more to do with what I regard as common tendencies.

This is to concentrate on the differences. It is, though, more than coincidental that an interest in mobilizing the state in some way or another to essentially target investments spatially emerges simultaneously on both sides of the Atlantic. There is, therefore, an important historical question to address before we turn to examine the differences. Just what is it that was and remains shared and which has created the necessary conditions, even while those conditions are drawn on in different ways? The first part of the paper addresses this question. The second major section outlines the differences in the form of intervention between the US and Western European countries. Finally I sketch out some possible lines of explanation.
THE LOCATION QUESTION AND ‘LOCAL AND REGIONAL DEVELOPMENT’

As a policy priority, local and regional development is now taken for granted. This is the case in both the US and in Western Europe, though the institutional frameworks through which policies are delivered and their associated practices vary considerably. In the US policy is largely what one might call ‘bottom-up’, with local governments and the individual states playing a central role if not always taking the initiative, while the federal government is more exclusively reactive. In Western Europe it has always been much more ‘top-down’, with central government agencies playing a major role, even while that role has tended to change more recently. The fact of the European Union has also made an important difference.

But prior to the Second World War anything that might be taken to resemble the post-war institutional landscape was fragmentary, even while it was highly suggestive as to what the trend might be in the future. As early as 1928 something called the Comité supérieur de l’aménagement et de l’organisation générale de la région parisienne, a group that was appointed to plan development for the Paris region, was recommending industrial decentralization from the area to reduce congestion and pressure on labor costs and housing prices (Newsome 2009: 104); something that would eventually come to pass some twenty years later. Further portents were the special measures taken in Great Britain to bring employment into areas where jobless rates were particularly high. These were the so-called, government-sponsored, Trading Estates, like those at Team Valley just outside Glasgow and at Treforest in South Wales. They had the power to rent out industrial property at cost. Firms locating there also qualified for certain tax incentives (McCrone 1969: Chapter 3.) In the US, cities were already marketing themselves for inward investment as early as the first decade of the twentieth century (Wood 1993: 22-23), targeting in particular the branch plants of large consumer durable firms.\(^2\) This was also the period in which state development initiatives take off in the American South, prior to their post-war universalization (Cobb 1982.)

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\(^2\) For the Columbus case, see Mair (1988): 83-95.
How might we understand the emergence of these pre-war initiatives? In part it is a matter of their conditions of possibility. Fundamental for the creation of institutions designed to facilitate investment in particular places was the emergence of what one might call a location problem: a problem that is, for those doing the locating. Several conditions came together to create this. The first was the changing character of industrial organization and in particular the changing spatial nature of corporate divisions of labor. This attracted little academic attention till the 1980s but the changes were already underway at least a half-century earlier. In her discussion of 1984, Massey identifies for firms several different types of spatial division of labor. One of these is what she calls the spatially concentrated. In this instance all firm functions – administration, the different stages of the labor process – are located at the same site. During the nineteenth century, and certainly prior to the development of the joint-stock firm, this would have been the predominant form. Firms tended to be smaller. To the extent that they expanded, then it would be either on the same site or within the same urban area, retaining the same workers, and there are many instances of this. The origins of model communities like Saltaire, Bournville, or Pullman are cases in point. The same applied to paternalist firms like that of Schneider in Le Creusot or Krupp in Essen. What led to change in the spatial organization of the firm, apart, that is, from the joint stock company and the possibilities that it offered of putting the money together for the quantum leap in financing required by branching, was the growth and diversification of consumer goods industries, durable and nondurable included.

The fact that they relied on semi-finished inputs and electricity meant a widening of the locational calculus away from the demands of heavy industry: notably away from coal for steam engines and estuarine access to raw-materials, towards issues of labor, market access and ease of assembling the inputs. All this raised the issue of exactly where to expand? How to evaluate different areas and different sites within those areas from the standpoint of such questions as the availability of inputs, labor costs or simply the availability of sites? How even to hear of those sites? And once a site had been chosen, what were the assurances that the necessary supporting physical infrastructure would be put in place?

What was a problem for firms created an opportunity for others: notably for the state in the West European case and for local and regional growth interests in the American one. This is because
the branch plant would be *sine qua non* for the local and regional development function as it started to emerge and be defined in the 1930s in the US; and for planning what would take shape as the ‘good geography’ in the countries of Western Europe. In the American case it would be the branch that would become the focus of local development initiatives; something that acquired urgency as the multiplication of branch plants and subsequent decentralization of production could also threaten employment in existing centers. In Western Europe, on the other hand, the rise of the branch plant was something that could be used by central governments as they sought to alter the distribution of industry for their own purposes, which they did. This possibility had already been given credence by the emergence of privately owned trading estates, or what would now be called industrial parks, during the first two decades of the twentieth century.

In the second half of the century the opportunities of mobilizing the footloose for purposes of local economic development would be greatly increased beyond the industrial branch plant. Large corporations with multiple branches would come to be a major feature of developed economies in both industry and in the so-called service industries: bank branches, back offices, retail chains and the shopping centers that serve as their characteristic locations. Retail chains then entailed the creation of warehouses and distribution centers, adding to the bits and pieces that could be the object of location policy in the West European case or of policies of attracting inward investment in the American one. The expansion of the state increased the possibilities through its multiplication of military, air and naval bases and the hiving off of routine office work from capital cities for relocation elsewhere.

Within metropolitan areas the new branch plants producing consumer goods, often with large horizontal layouts to facilitate assembly line production, and later on distribution centers and back offices, gave a strongly suburbanizing bias to locational calculi which, in turn, required a

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3 As Harvey (1985b: 203) has remarked: “The more corporations used their powers of dispersal … the less urban regions competed with each other on the basis of their industrial mix and the more they were forced to compete in terms of the attractions they had to offer to corporate investment as labor and commodity markets and as bundles of physical and social assets that corporations could exploit to their own advantage.”

4 The Slough Trading Estate west of London was created as early as 1920 and proved to be a major success attracting consumer goods firms like Citroën, Gillette, Johnson and Johnson and later during the 1930s, Mars and Berlei. Trafford Park in Manchester was even earlier, going back to the turn of the century and attracting firms in the new industries of the time like the production of electric turbines and aircraft engines but also consumption goods like packaged tea and even automobiles. See Scott 2001.
change in living place geographies: a further and reinforcing condition for processes that would, at least in the United States, fall under the heading ‘local economic development.’ What was at stake was a displacement of the old, closely knit, kinship based, working class communities that had dominated the American city by a more commodified conception of the neighborhood: one that could ground the notion of ‘residential choice’ that became so popular in urban studies from the ’sixties on. A genre of writing on community and what Stein called its ‘eclipse’ emerged, significantly enough, during the 1950s. A genre of British community studies was particularly good on this (Rosser and Harris; Young and Wilmott) and there is reason to believe that its findings were not unique to that country but could be extended to the US (Alt +?). The influential British sociologists Michael Young and Peter Wilmott wrote of the emergence of what they called the ‘symmetrical family’: a more egalitarian, nuclear and home centered family, less dependent on extended kin relations, and more child centered – valuing in new ways what Viviana Zelizer would refer to as ‘the priceless child.’

The important point here is that this emancipation from neighborhood as community opened up new opportunities for the land owners and developers: residential developments that they could then sell to new municipalities on the urban edge as promoting ‘local economic development’, but in this case rather than the classic economic base of employment in industry, the economic base would be externalized via the wages and salaries of residents earnt elsewhere. As property capital took off, these new residential developments would expand in size making them even more attractive to rent seekers: a story that would be repeated as attention later turned to the shopping center as yet another vehicle for local economic development. In the US these tendencies were reinforced by the characteristic political fragmentation of metropolitan areas into numerous local governments and school districts.

In sum, in the first half of the last century changes were afoot in the organization of the capitalist space economy that would create the necessary preconditions for formal state interventions into it. What those interventions were would differ on the two sides of the Atlantic. It is to those different forms that we turn next.
THE CONTRASTS

The way in which the location problem outlined above has been solved in the US is clear and it is singular. In brief, the market rules; regardless of the substantive form of development, industry, retail, residential, or office, the location problem is ‘solved’ through the competition of state agencies one with another, and typically in league with, if not part, and a junior partner at that, of wider growth coalitions of developers, land owners, etc. In the countries of Western Europe, the market certainly has a place but it is more subordinate to a planning mechanism, and, furthermore, a planning mechanism that unlike the American case where responsibility is dispersed and subordinated to the market, is highly centralized with the central agencies of the state assuming major responsibilities. There has been change over time. The market has gained in emphasis in Western Europe and the planning function has retreated somewhat. Institutional frameworks have shifted in an American direction but are very, very far from convergent, and for good reason, as we will see. This should be underscored (Cox 2009). Meanwhile, if anything the emphasis on the market in the U.S. has tended to deepen and, as the economic crisis bit after the early 1970s the marketing claims have become, if anything, more shrill.

There have also been shifts in the focus of local economic development policy. In the immediate post-war years and well into the ’seventies, the focus with respect to attracting in employment was undoubtedly the branch facility: the branch plant or office or the branch of state or federal government; a branch campus of the state university, perhaps. And latterly, there has been the distribution center and the call center. This has changed somewhat. In both the U.S. and Western Europe the competition of the so-called newly industrializing countries, particularly for branch plants and also to some degree call centers has become a serious challenge. As a result there has been increased attention in development circles to product development and skills intensive production. This has some connection with the retreat from planning in Western Europe. The growth of the inter-firm networks which are widely seen as the condition for new, cutting edge technologies, have become the flavor of the day, is just much harder to plan for than moving around branch plants and back offices.
The American Case

The crucial agent in the local development process in the US has been the growth coalition. Growth coalitions are far from easy to characterize. They vary both in geographical scope and in life span. Something like what Andrew Wood and I (1997) called the local economic development network, the medium through which industrial investment is typically attracted into an area, operates on a multi-county scale and has enjoyed an enduring institutional presence. Other arrangements are more fleeting and often at smaller scales: a group of downtown land owners and property companies, the central city government and major hotel chains around plans for a convention center; a major developer and other land owners and speculators riding her coattails around a large suburban development project; or the chamber of commerce, city and county government pushing a referendum that would permit selling bonds for a new airport. Regardless, these projects will march behind the banner of ‘local economic development,’ local government will have to be involved and they will be incorporated into what it likes to call its development policy.

The other thing that they have in common is their *dramatis personae*. In concrete terms, again, these can vary but whether it is developers, property companies, utilities, local governments, local media empires, water and sewer agencies, what they all share is a geographic fixity: the new investment has to come to them because they cannot go to it. They depend on the growth of a very particular local market. In some cases, as in downtown redevelopment projects, airports or convention centers, large fixed investments are at stake. Value has to flow through them if the bond holders are to be paid off (Cox and Mair 1988.)

Thus constituted they then do battle with other growth coalitions elsewhere. This can be within the same region as in struggles around plant closures where it is a case of ‘them or us’, country-wide where massive federal contracts for major elements in a local economic base are at stake, or within the same metropolitan area as in ‘who will be first?’ with a major regional shopping center initiative and so keep out others. This is the competition for which the American politics of local development is famous: a competition fought both materially through various incentives

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5 Blair and Wechsler (1984) provide a good example of this.
to firms to locate to their advantage and discursively as popular opposition emerges and has to be dealt with. The motifs of territory loom large, therefore: the intensity of competition for employment, for sure, a competition which has to be engaged with if ‘our town’ is to grow – a growth, it is argued from which we will all gain; but also a supposed exploitation by other places, particularly if the competition is judged ‘unfair.’

Accordingly, policies are very ‘bottom-up.’ This is not just in the sense of intervening in a more global flow of value as firms or indeed state agencies make their choices of where to put an R and D center or a branch of the state university. It also works through the hierarchical structure of the state: through what has been described as a politics of scale. Initiatives tend to be local, usually though not always involving the municipalities or the counties, while as one ascends through state to federal government the balance tends to shift to the more passive. States and federal governments regulate. They, particularly the federal branch, are also more efficient extractors of resources and as such are attractive objects of interest.

Part of what is at stake are the rules that govern the competition among growth interests. Inevitably these are laid down by the different territorially defined branches of the state. Some of these, like land use zoning procedures, are the responsibility of local government. Certain aspects of labor law – a crucial consideration where some growth coalitions are least, are keen to hone what is known as their ‘business climate’ – are a matter for the states; still others like the procedures through which tenders for big government contracts are assessed or even the law governing the right of eminent domain are a federal concern. On the other hand, the possibilities confronting growth coalitions as they try to achieve some competitive advantage in these ways are by no means set in stone. The drive to accumulate is the condition of remarkable ingenuity as proposals are launched for new forms of regulation that will benefit some and work to the disadvantage of others (Weiss 1987.)

But in any case, the powers and responsibilities will be distributed unevenly across municipal, state and federal government. To gain advantage growth coalitions at a very local level may have to mobilize state or federal branches on their behalf: something that has been called ‘jumping scale.’ Often the pressure comes from an alliance of growth coalitions and this can elicit counter-
pressure from those who see themselves as losers from the project. As inner, older suburbs push through their overarching alliances for state-imposed limits on the ability of the outer suburbs to annex the large tracts of agricultural land so attractive to developers, so the latter are likely to resist. And of course the lawyers hired by groups like Ohio’s First Suburbs Consortium will be happy to prepare the legislation. In still other instances what growth coalitions are after is money rather than the regulatory concessions that will make it easier to acquire. This was the origin of federal urban renewal policy in the US: pressure from groups of central city landowners down on their luck with a bit of ideological flim-flam from their allies at the Urban Land Institute resulting in massive subsidies for land acquisition, clearance and redevelopment (Weiss 1980.) But again: very strong bottom-up pressures as a crucial auxiliary strategy in the attempt to achieve some competitive advantage.

*And Western Europe*

Western Europe is a little harder to deal with because of the changes that have occurred since the 1970s, though I am going to argue that there has been more continuity than many are willing to acknowledge and that the contrasts with the American case remain quite stark. Formal interventions into the space economy remain much more centralized, much more planned and their discursive foundations much less informed by that focus on what some would claim to be quite narrow local advantage of an economic sort: rents, profits and, if the ideological nostrums are to be believed, jobs, wages and property values.

For some the heyday of a distinctive West European approach was in the twenty five years or so subsequent to the Second World War. This was a period in which virtually all the democratic states of Western Europe had some sort of provision for trying to eliminate geographically concentrated pools of unemployment such as those that had emerged during the 1930s in coalmining and shipbuilding areas; and facilitating development of relatively poor areas like the Highlands and Islands of Scotland or large swathes of western and southwestern France and, of course, Southern Italy. To achieve these ends, central governments drew on a mix of carrots and sticks: financial incentives for firms to locate their branch plants in areas deemed in need of the employment or simply the development; and restrictions on employment in what were defined as the overheated labor and housing markets of major urban areas, like the Ile de France, London,
and the West Midlands conurbation centered on Birmingham. In some cases, like France, Great Britain, the Netherlands and Sweden this decentralization was further stimulated through programs of new town construction at some remove from major urban centers.

In addition central government infrastructural investments were concentrated in a preferential manner in particular, longstanding, cities. This was done with a view to reducing market pressures elsewhere while providing favorable conditions for the concentration of labor, achieving economies of scale in the provision of public services and so on. In some understandings of these policies these cities were defined as growth poles. The French *metropoles d’équilibre*, designed to reduce the dominance of Paris in the French space economy, are a case in point.

The fact that public ownership played such an enhanced role in the West European economies at that time afforded other forms of leverage. Where the industries in question were in declining sectors, as was the case with coal, then public ownership could mean a substantial regional subsidy, maintaining employment at levels that would otherwise have been infeasible. When allied to a national spatial strategy public ownership could be a major instrument for achieving national goals of redistributing employment. This was the case in France where all infrastructure industries were controlled by the state, along with parts of industry, including automobiles, defense industries, electronics and many banks (Marshall 2011.)

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6 This was something that also informed new town policy. See Hudson (1982.)

7 Despite the recent enthusiasm for neo-liberal policies, for privatization and the retreat from public ownership this sort of central government orchestration of local economic development initiatives continues. The Canary Wharf project in London bringing together a variety of government powers and subsidies for land acquisition, the provision of infrastructure etc., and developers is a case in point. Again, this had a more global, public planning, intent, the original inspiration being that the redevelopment of the London Docklands in this way would take the pressure off the City – home to much of the financial services industry so crucial to the British economy – where rents have reached very high levels.

8 Just how significant that was became apparent when the industries were privatized: the results for the map of unemployment could be dramatic. For a discussion of the British case see Hudson (1986.)

9 Even when industries have not been in public ownership the willingness of the state to use public funds to achieve national purposes has effected developments that would otherwise not have occurred. Sidney Tarrow (1978) has documented the interventions of the French state into the steel industry during the ‘sixties. A major goal of the French regional planning agency DATAR (Délégation à l’Aménagement du Territoire et à l’Action Régionale) was the modernization of the French steel industry to be achieved in part by a massive relocation to coastal plants at Dunkirk and Fos-sur-Mer, next to Marseilles. But in order to bring this about huge subsidies were required, albeit in exchange for a decision on the part of the industry not just to relocate but also to close down old plants and concentrate ownership. For a similarly conceived if abortive scheme, though drawing on nationalized industries, see
A more implicit form of regional policy has operated through the welfare state. Increasing taxes of a progressive sort and the expansion of state employment in schools, hospitals, local government, public transport and diverse social services and of support for the unemployed have meant some redistributional effect between regions. Assuming geographically uneven development, localized declines in employment are cushioned by public employment and various forms of income support, notably unemployment compensation, while, at the same time, the tax take goes down. It works otherwise in regions experiencing some degree of growth (Mackay 2001). To the extent that wages and salaries in the public service are negotiated nationally, which is typically the case, this effect is reinforced: it supports payrolls in areas where the economy is contracting while holding them steady in those undergoing increased expansion. So while in areas undergoing declining employment, wages in the private sector may well be reduced, either explicitly, or more implicitly as a result of reduced work time, public sector wages are unaffected; which has multiplier effects for other parts of a regional economy.

What might be called ‘regional policy’ though has only been part of the story of contrast. Alongside and often working in close tandem with it has been a relatively centralized land use planning apparatus: more so in the cases of Great Britain, the Netherlands and Sweden perhaps and less so in France and Germany, but always in sharp contrast with the American instance. In the United States local governments have virtually carte blanche in how they regulate land use so long as they stay within state law. They plan land use, more or less, but it is not subject to the sort of central oversight that is common in Western Europe or to the sorts of interventions common there if some local planning decision is deemed of wider significance. And the idea of regional targets as in British efforts (Cowell and Murdoch 1999) to ensure the provision of housing where it is needed would be utter anathema. The same applies to those top-down policies which, regardless of what the locals might prefer, limit the forms of development that are possible: the ‘green belts’, ‘green hearts’, ‘historic districts’ that pepper the landscape. There are American counterparts to this, as in the provisions of the California Coastal Act, but they are few and far between.

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Beynon, Hudson and Sadler (1986) on the attempt of the British government to boost steel and chemical production on Teesside.

10 Until their abolition by the coalition government that came to power in 2010.
Taken in toto, what this amounts to is a set of policies that are not quite the same as the goal of ‘local economic development’ so characteristic of the US. Rather what seems to be at stake is what I would call ‘the good geography’; a geography that is supposed to represent some understanding of a national interest that cannot be reduced to the economic and to the extent that it is, it is a different interpretation of it. Economic development is there but historically it has been more about achieving some degree of equality between the regions – reducing differences in unemployment rates in particular – and using regional planning to facilitate national rather than local growth: the early emphasis on decentralization was seen as a means of countering the inflationary tendencies latent within the concentration of investment in major cities. Likewise, and second, the fact of some central orchestration of local policy, the fact of a counter to the competition between places, has meant that the externalities of development decisions, in particular their social costs, could be held in check. The ideal of the compact city is far from realized but the outcome still remains starkly different from the low density urban form of the auto-dependent, energy-intensive American city.

This points to a third feature of policy in Western Europe: that its goals have been more than simply economic in the narrow, classical sense but have also embraced notions of the ecological, the aesthetic, the nurturing of historical memory through landscape preservation. How localities should develop has been seen through a national lens, developed through some debate about, as I said above, ‘the good geography’ including the ‘good city.’ There has been some debate at the highest levels of the state and this is in sharp contrast to the American case where what amounts to federal policy is more often than not a result of the jostling of private, dominantly corporate, interests (Lowi 1969; Weiss 1980; 1987.)

There have, of course, been changes since the early 70s; changes widely noted in the literature (for example, Brenner 2004.) In some respects it might be argued that there has been some convergence towards the American model: an increased decentralization of policy responsibilities and some displacement of the old administrative fiat by forms of local governance that include civil society participation. There has also been some shift in policy goals, again in a direction that is more ‘American.’ As local governments have acquired more competencies and responsibilities, so the focus has been much more on specifically local
economic growth; and less on the achievement of national goals of spatial equity or on the national geography as a force of production working to the advantage of the country as a whole. The competition of one local government with another has become a way of understanding policy in a way that would be more familiar to American local economic development professionals.\textsuperscript{11} A bottom-up politics of scale redolent again of the American case is more evident, as in the British Core Cities and the pressure they have tried to bring to bear on central government for some de-emphasis on London in national policy thinking. National governments now enter the fray at the European scale and the struggle over the location of EuroDisney is one example; current national debates in France about the relocation of the French automobile industry to Eastern Europe and what it would take to keep them in France provide another: something that recalls what American journalists like to call ‘the (American) war between the states.’\textsuperscript{12} Even so, national spatial strategies are still developed and referred to and what is called ‘territorial solidarity’ or ‘territorial cohesion’ remains important, if less so than in the past.\textsuperscript{13} As Schmidt (1990) concludes “… national level dirigisme has not disappeared with official decentralization” (p.290).\textsuperscript{14} This is also the conclusion arrived at in a more recent assessment by Baudelle (2008). Decentralization is a reality but the central government still plays a very important role. Local and regional development have become ‘co-constructions’ and this has

\textsuperscript{11} On the French case see Subra (2007).

\textsuperscript{12} Countries like Poland, Rumania and Slovakia now function for the Western European countries much in the same way that the American South did for other states in the US, generating similar sorts of concern around the notion of ‘business climate’ and echoes of the American ‘war between the states.’ But, I would emphasize, these echoes remain, at least for the time being, distant ones.

\textsuperscript{13} There has also been some change in the focus of development policy. The old emphasis on inward investment and the different parts of the firm’s technical division of labor – branch plants, headquarters, research and development – as targets of development policy on both sides of the Atlantic has undergone some eclipse. Stimulated by the surge of interest in so-called ‘hi tech’ during the ’eighties, talk immediately prior to the great recession was of the knowledge economy and how best to capture its advantages for purposes of local and regional development. Clusters became another buzz-word among development officials and this was reflected in academic work as in Michael Porter’s work and Allen Scott’s on what he called ‘new industrial spaces.’ Once again, care needs to be exercised. The academic focus on new forms of development risks a hyping of what is actually happening on the ground.

\textsuperscript{14} Likewise Keating: “A powerful and cohesive state continues to exert a major influence on the pattern of urban development. It restricts, with varying degrees of success, the concessions which local governments can make to investors. It protects local finances and the ability of local governments to incur debt. Local governments in France rarely have to worry about their rating in the bond markets as do their American counterparts. Fiscal equalization also reduces but does not eliminate local government dependence on business taxes” (1991: 457.)
introduced new elements of complexity into the process. Now the central state has to collaborate on local and regional development with the regions, the departments and the agglomerations.\textsuperscript{15}

There has undoubtedly been change, therefore, but it is more a new balance between centralizing and decentralizing forces than the sort of radical decentralization that one associates, and correctly in my view, with the US. The old institutional framework of planned locations, while diminished, is by no means eliminated. There are still areas of persistent unemployment that qualify for government aid, even as EU rules drastically curtail the areas so qualifying. Central governments are still relocating government employees from capital cities to provincial cities (Marshall 2007.) New towns are out but the British government has embarked on a new policy of establishing so-called eco-towns. Likewise the French government tries to orchestrate its hi tech geography through poles of competitiveness; something that would be totally alien to the way things are done in the US and which would certainly elicit cries of outrage at the state ‘trying to pick winners.’ And in contrast to the American case where local governments in planning land use are subject to absolutely no administrative oversight from above, in Western Europe the central state\textsuperscript{16} retains a very significant structuring and regulatory presence. The central branches also retain important discretionary funding power that can be and is used to advance their own priorities. So while the leash has been made a little longer it still exists and it is used.\textsuperscript{17}

\textsuperscript{15} « Plus que jamais, l’aménagement, aujourd’hui compétence partagée par l’Etat avec les Régions, les Départements et même les agglomérations, est donc un processus inévitablement conduit à plusieurs qui fait des réalisations élaborées et mises en œuvre en commun des coproductions dans le cadre d’une « politique cogérée et contractualisée » » (Baudelle 2008). (“More than ever, development today is a competence shared by the state with the regions, the departments and even the agglomerations, and is therefore a process inevitably carried out by several which makes outcomes developed and put to work in common, co-productions within the framework of a ‘policy co-managed and contractualized.’”)

\textsuperscript{16} In the federal state of Germany, the \textit{l\"ander}.

\textsuperscript{17} Compare LeGalès and Harding (1998): “Even if this logic of competition has apparently become inevitable in the majority of European cities, however, it could hardly be said to be the single, overriding priority of those cities. There is a strong contrast, here, with the American situation, with the European system being characterized by a stronger role for the state and lesser reliance by city governments upon the market - through business taxes or local incomes for their expenditures.” And “Even if the competition between cities and, as an oblique result of this, the entrepreneurial strategies of cities are greater than before, European cities are not American cities. The dependence of local authorities regarding private enterprises is also weaker as a much more significant part of local authorities' income in Europe comes from state transfers.”
One can get further insight into what has happened by looking at the conditions widely touted for these changes. Partly it was a matter of the long downturn that started in the early 70s and increasing anxieties about profitability and national economic growth. One result of that would be the neo-liberal turn and its ideological smoke-screen ‘globalization.’ In consequence there are new concerns about international competition and these have been reflected in novel forms of top-down development initiative aimed at backing ‘winners’. London has been one of the more obvious beneficiaries of this (Allen, Massey and Cochrane 1998) and indeed some would argue the southeast of England tout court, but the plans for a ‘grand Paris’ are another straw in the wind. Part of the reasoning behind this is the view that in a world of intensified competition, particularly from low wage countries, the balance between strategies of cost reduction and product development needs to shift in favor of the latter: major urban agglomerations are viewed as more likely seedbeds for innovation in virtue of their more elaborated divisions of labor and their ability to pull in influences from elsewhere.

EXPLANATION

Yet despite recent changes in focus local economic development policy remains quite starkly different in its institutional form. The American case appears as utterly sui generis. How might one begin to explain this? In this section I want to outline three possibilities, two of which emphasize the role of class relations. The third underlines the significance of the American state. I then suggest how these different slants might be brought together in a more synthetic understanding.

Questions of Class Formation

A major and long remarked difference between the US and the Western European countries has been the relatively greater political weight in the latter of the organized working class. In the US there is no clear left-wing party political alternative that stands the remotest chance of having a

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18 A condition for the bottom-up politics of scale referred to earlier as the Core Cities initiative.

19 In urban studies there is a long history of thinking along these lines going back at least to Bernard Chinitz’s arguments about the ability of some big cities at least to reinvent themselves. More recent claims about the virtues of metropolitan areas in this regard include those of Pierre Veltz (1996) and Allen Scott (2008) in his arguments about the city under what he calls cognitive-cultural capitalism.
candidate elected. something like France’s Socialists, Germany’s Social Democrats or the Labour Party in Great Britain.

Less noted has been another ‘reported missing’; the sort of party of the right typical of Western Europe. In any mapping of party political positions the Republican Party has always found itself at a distance from political formations like the British Conservative Party, Germany’s Christian Democrats or the various incarnations of the Gaullist tradition in France: in other words, parties on the clear right that nevertheless are more skeptical of the virtues of the market, or the priority accorded competition, and more cognizant of the need for forms of social protection; more corporatist, therefore, and more willing to accept a socially reformist state committed to the welfare of the masses.

This party political configuration has had important consequences for the form assumed by local and regional development policy in Western Europe. The first of course is the legitimacy accorded to any central state intervention: a state that is active with respect to the localities and regions rather than, as in the American case, much more passive. The second is the nature of that intervention. Planning does not have the negative connotations that it does in the US. State designation of areas eligible for financial assistance in support of employment-creating investments or of locations for new towns is acceptable to a degree it would not be on the other side of the Atlantic. There have been federal interventions targeting areas of need but only at the price of defining those areas so broadly that the original intent was compromised. And third, of course, the historic urban and regional planning apparatus created in the West European states in the postwar period was in many respects an extension of the welfare state. Measures were drawn up to bring employment to certain areas because full employment was an explicit policy of the

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20 The exception is Bernie Sanders, a Senator from Vermont, but even he, despite radical credentials, holds the socialist label at arm’s length and stands as an Independent.

21 Compare Davis (1980: 7-8): “Despite profound differences in national tradition as well as evident divergences in the levels of class conflict, all the proletariats of Western Europe are politically ‘incorporated’ – I use this term only in a highly qualified and contingent sense – through the agency of labour reformism. That is, their relationship to capitalism is mediated and regulated at a multiplicity of levels (political, economic and cultural) by collective, self-formed institutions that tend to create and maintain a corporate class consciousness … The American working class, on the other hand, lacking a rich panoply of collective institutions or any totalizing agent of class consciousness (that is, a class party), has been increasingly integrated into American capitalism through the negativities of its internal stratification, its privatization in consumption, and its disorganization vis-à-vis political and trade union bureaucracies.”
welfare state. Other measures were more implicit including the support given through the fisc and income supplements to the less dynamic areas and also the nationalization of industry. This is a difference that tends to have been lost to view as a result of David Harvey’s (1989) highly influential arguments about the displacement of urban managerialism by more entrepreneurial policies. I would be more inclined to see policy in Western Europe as always more managerial and in the US as again, more entrepreneurial, despite a shift in both towards the latter pole.

On the other hand, and as I emphasized earlier, the West European focus on ‘the good geography’ cannot be reduced to policies designed to mitigate geographically uneven development. Green hearts, green belts, la protection des paysages, suggest that something else is at work: this is an anti-urbanism which again does not find the same echo in the US. There is anti-urbanism there but it is much more along urban-suburban lines than the urban-rural associated with Western Europe. Landscape preservation, limits on real estate development in rural areas, urban containment, are all very much European things. So how to explain? I would suggest the following as possibilities worth pursuing.

In the US the historical associations of the rural have been very different: that of a pioneering, small farmer class, and, in virtue of that small property ownership, a crucible of American democracy. What is now to be preserved is wilderness, most notably in the national parks and forests: another way of grasping a distinct historical experience. Outside of the wilderness, the rural is not something to be protected from the urban. In Western Europe it is almost entirely different. Anti-urbanism has long been part of the political scene dating back to the way in which the transformations of capitalism were understood both in literature, by some of the Romantics, and by what would eventually emerge as the academic discipline of sociology (Mellor 1977.) This was a view in which the evils of the city found a counterpoint in the virtues of the rural: individual versus community, organic vs. artifice, the cash nexus versus custom, the healthy versus the insanitary, and so on.

There was something else. This is ‘the countryside.’ The countryside is a very European idea that does not find an American equivalent. It suggests an aesthetic to be protected and consumed experientially as Raymond Williams (1973) emphasized in his discussion of the English country
house in its artfully landscaped estate: something mirrored elsewhere in Western Europe. Not surprisingly given these rather different angles, the way anti-urbanism has been reflected in policy has varied. The English ‘green belt’ does indeed suggest the countryside as object of consumption; something to be conserved through policies of what Peter Hall (1973; 1974) called ‘urban containment.’ The anxieties of J-F Gravier in his Paris et le désert français were quite different though: thoroughly reactionary and recalling Nazi preoccupations of round about the same time (Marchand and Cavin 2007.) Here the city was an evil to be combated by decentralizing employment and therefore people: the rural was the true seat of national virtue. Apparently Gravier had a huge impact on French planners though their reasons for decentralizing from Paris and for rebalancing urban France were almost certainly different and more to do with national economic growth than with national character.

Local Power Structures
In the institutions surrounding issues of local economic development a striking difference between the US and Western Europe is the significance or otherwise of growth coalitions.22 It is true that in Western Europe local governments have shown growing interest since the 1970s in so-called ‘entrepreneurial policies.’ But in the US they have been joined, in fact are typically prompted, by private growth interests commonly seen as constituting a growth coalition. Their composition varies depending on purpose and the scale of area with respect to which the interest in development is being evinced. As we saw earlier, the utilities are prominent at larger scales. The developers and property capitals operate at both the metropolitan level and more locally. Chambers of Commerce will certainly engage in coalition-building activities, in large part in response to their developer members. Banks used to be more active than they are now. And in some cities locally owned and operated newspapers are not just cheerleaders; they can also mold opinion, and where they have investments, they will do so: the case of the Los Angeles Times depicted in the movie Chinatown has been by no means exceptional.

22 Their relative absence in Western Europe has been noted by others. See, for example, Harding (1991; 1996) and Vicari and Molotch (1990) on the Italian case. There are cases that seem to approach the US model; see, for example, Bassett and Hoare (1984) and Newman and Thornley (1995) on Euralille. They are, though, more the exception than the rule.
Part of the reason for the relative absence of growth coalitions in the Western European case is the fact that historically the utilities and banks showed little interest (Hart 1983). Gas and electric utilities were either nationalized industries or catering to much bigger service areas than American ones. Banks with a presence limited to a particular city or region have long been sidelined by the rise of the chains. As a result the sort of local dependence (Cox and Mair 1988) typical of growth coalition members has not been an issue. The same applies to local government as we will see when we turn to the state.

It is also the case, though, that in the US the powers available to local government have been ones of critical interest to local growth interests: powers over land use regulation; powers over the funding of public works through the sale of bonds; and the power to offer incentives to investors, in particular. The same sort of capacity is rare in Western Europe. On the other hand, the ability to use these powers depends on the local balance of political forces and in the US these have been very favorable to the growth interest. This takes us back to the balance between Harvey’s (1989) urban managerialism and urban entrepreneurialism.

This balance was, and remains, very different. Local government was always more managerial in the West European countries, always more dedicated to social provision of a redistributional sort, and even with some recent shift in a more entrepreneurial and the neo-liberal that remains the case. An important reason for that is, again, the vastly superior political weight of the working class. The commitment to the ideals of the welfare state has meant continuing concerns on the part of local governments for public transport and public housing in ways not apparent in the US. In part this is due to directives or statutory enjoinders from central government. In part it is the ideological commitment that has characterized, at least until the last twenty years or so, the political left in Western Europe. But again, conservative oppositions have not been nearly as skeptical of state action and as friendly to developer interests as has been true of American counterparts. And even where public discourse has shown signs of the sorts of territorial response so characteristic of the US the relative dominance of class understandings of the political and a suspicion of the implications of competition for the working class has tended to hold them in check.
State Structures

In the limited amount of work that has been done on the distinctiveness of the American case, more than one person has touched on the difference that the American state might make. This has typically amounted to the observation that local governments in Western Europe are not dependent to the degree that they are in the US on locally generated revenues; and that the federal nature of the American state has to be playing a role (Meyer 1991; Le Galès and Harding 1998; Vicari and Molotch 1990.) I think the various comments that have been made can be drawn together in a more synthetic and comparative overview that might shed light on the US-Western Europe contrast. It is also a topic which, I think, lends itself to a lengthier treatment than the other explanatory discussions here.

The central fact to consider here is that formal power in the American state is quite extraordinarily fragmented. The constitutional emphasis on checks and balances extends into the territorial realm. American states have unusual powers and responsibilities. But the fragmentation of the state receives further impetus by the fact of delegation to local governments. Local governments dispose of their own ensemble of powers, and many of these can be turned to the purpose of ‘expanding local economies.’ Among the more significant of these powers one would have to include: a land use regulation process that is subject to very little in the way of state oversight; control of water and sewer line extensions; powers to annex unincorporated land; the ability to make tax concessions to investors; the ability to raise money on the private bond market to finance public works like airports, convention centers, sports stadiums; and – certainly important for those growth coalitions, typically in the suburbs, interested in carving out positions in local geographic divisions of consumption – the funding of schools.\(^{23}\) One should emphasize that these are delegated powers and are not constitutionally prescribed. But as a result of the way in which different local forces acquire a vested interest in at least some of them, taking them back can in practice be politically fraught.

Even after this delegation, the individual states retain very considerable powers of the highest significance for the accumulation process. Their fiscal, labor law and welfare responsibilities are

\(^{23}\) Which helps to explain why, in cases of referenda on local school bond levies in the suburbs, realty interests will often be prominent in their support of those pressing for passage.
a case in point. The American welfare state is more accurately defined in the plural. This is because the individual States retain major competencies with respect to, *inter alia*: taxation, unemployment compensation, workers’ compensation, minimum wages, so-called ‘right-to-work’ laws,\(^{24}\) education and aid to single parent households. All these can be, and are, used by cities in different parts of the country in the struggle to attract inward investment and to retain existing industrial bases, though the specifics can vary a great deal depending on whether one is, for example, hitching state economic futures to low wage work or to more knowledge-intensive forms of labor process.

This is not to marginalize other aspects of state structure which enhance the powers available to local growth coalitions. There is, in particular, a remarkable territorialization of representation which also plays into the hands of local growth coalitions. Local representatives in state and federal legislatures have a quite extraordinary power to get things done and to turn central powers to local advantage. A first reason for this is the committee system. Before any bill is considered by the full assembly – the House of Representatives and the Senate – it has to be first assigned to respective committees for study, hearings, revisions and approval. If the bill does not move out of committee then it dies. Committees, moreover, will include members of both majority and minority parties. They play an absolutely crucial part in enabling legislators to achieve constituency-specific ends.

This is because Senators and Congresspersons typically get to serve on those Committees most relevant to their constituencies. In this way, not only is there a strengthening of local influence on Committee deliberations but also a strengthening of the power of particular business interests. Just one example: The House Interior and Insular Affairs Committee occupies a gatekeeper position with respect to the authorization of federally funded irrigation projects. Committee membership is typically dominated by those Western States which have the most interest in them. This puts committee members in a strategic position not just to block legislation that will work adversely with respect to constituent interests, or at least those which have some clout; but also to add to bills special provisions that meet some local need. In fact this type of concession may be the price of obtaining their support for a bill that, in terms of overall thrust, is not one

\(^{24}\) This is a strange euphemism. What it actually is that the closed shop is forbidden.
with which they feel comfortable. In short: Committees are major foci of interest to legislators because of the power they afford them to deliver things to their immediate constituents, or at least those of them who are able to command their attention. Many of these things may well accord with party programs, strictly or loosely expressed. But the point is: They don’t have to. And when it comes to consideration of bills on the floor of the House or Senate – and this is the second reason that representation is so territorialized – the same balance of power between representative and party asserts itself. Party discipline over the voting of those who claim the party label tends to be relatively weak. The positions members take on particular issues tend to be influenced more by the balance of advantage for the home district, or for some interests there, rather than by any calculation of party gain (Kau and Rubin 1982). For the individual legislator, the State or Congressional District they represent is a significant horizon for roll call votes and one with which the claims of party must compete. By the standards of parliamentary democracies, the sensitivity to constituency pressures is nothing short of extraordinary. The position taken on roll call votes is influenced as much if not more by social and economic conditions ‘back home’ than by party affiliation, as numerous studies of roll call voting have demonstrated. This means that voting on many issues pertaining to local economic development is seriously bipartisan, as Bensel (1984) has indicated in his study of American sectionalism. At the same time the weakness of party in determining positions on legislative issues opens up the way for logrolling: the exchange of favors between one group of legislators and another, sometimes belonging to the same party but sometimes not. So the weakness of party creates a space for the consummation of all manner of deals with implications for respective constituencies.

Yet if constituency interests are paramount in the calculus of Representatives and Senators, whether in Committee or on the House and Senate floors respectively, this begs the question of why local rather than national agendas dominate? An immediate answer lies in the way in which

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25 This may not be obvious. Provisions are often articulated in a universalistic language that can be misleading. The local thresholds in terms of economic conditions which make constituencies eligible for certain types of aid will be artfully designed to take care of the constituencies of committee members, which helps to explain the tendency to spread federal largesse around, to the detriment of the program goal. Or definitions will be specified sufficiently broadly as to cater to some local need.
candidates are selected. Unlike the case of parliamentary democracies parties in the US exercise much less power over the selection of candidates. Rather the selection process is highly localized both in terms of its locale and in terms of the influences to which it is subject. The effect of the direct primary, introduced as a Progressive reform round about the turn of the century, as part of its general horror of monopoly and its supposed implications for party corruption, was to enhance these localizing effects (Epstein 1986). In the direct primary choice of candidates is carried out in a state-regulated election. The list of candidates cannot be limited by the dictates of any party organization. Rather anyone who wants to claim the label of a party can stand. This type of approach to candidate selection results in a politics that is more candidate- rather than party-centered. In the primary election each candidate tries to carve out a distinct position for him/herself and so tries to appeal to a particular social base that is not shared with the other candidates. The positions represented by the different candidates in the subsequent general election, and holding party constant, are in consequence likely to be far more varied than could ever be encompassed by a common political platform. So the allegiance to such a platform and what is viewed as good for the nation is likely to be very weak. By the same token, locally specific coalitions of forces are likely to come together, and it is to those coalitions that the elected representative will tend to feel more responsible than in a situation where the party exercised control over candidate selection: they are, after all, the people who elected him/her, funded his/her primary campaign, and the party label was of relatively minor significance. The local representative therefore has an incentive to deliver, to answer to specifically local interests. She herself has an intense interest in the economic fortunes of the locality.26

And so too does local government. Local governments participate in growth coalitions, collaborate with counterparts in particular urban regions, support the introduction of those institutional mechanisms that will facilitate the provision of the sort of physical and social infrastructures demanded by inward investors, because they see gains for themselves. This in turn is because of the very substantial degree to which they depend for their revenues on local

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26 According to David Mayhew in his book *Congress: The Electoral Connection* and cited by Ellwood and Patashnik (1993), Congressional life consists largely of a 'relentless search' for ways of claiming credit for making good things happen back home and so increasing the likelihood of re-election. Federally funded infrastructure, definition as an Enterprise Zone, cheap loans for inward investors are all things for which the individual Congressperson can claim credit: a credit, moreover, which they will not shy away from but rather will advertise through media occasions.
taxes: property taxes, sales taxes and income taxes. This varies somewhat from State to State. In terms of education some, like New Hampshire, have quite radical measures for ensuring equality of per pupil expenditures between school districts of quite highly differentiated fiscal capacity, but they are the exception. The general picture is one of uneven abilities to generate revenues and an unevenness which is alleviated by the State to only a very, very limited extent.\textsuperscript{27}

Local governments look to the states for favorable legislation on economic development issues and the states have their own reasons for providing their support. The fact is, states too enjoy, if that is the appropriate term, high levels of fiscal home rule. They depend on state taxes for the bulk of their expenditures. This dependence is intensified by the absence of any provision at all for territorial redistribution. Significantly, and among the established federations, only the US does \textit{not} have provision for fiscal transfers designed to at least narrow differences in fiscal capacities across its component units. This concern for tax base, at both State and local levels, is then intensified by the characteristic mode of raising money for capital expenditures. This, and again in sharp contrast to other of the advanced industrial societies, is through the private bond market. This means vulnerability to the rating process and, in consequence, a strong interest in embellishing that state or local tax base out of which bonds must ultimately be repaid. And of course, those local governments most in need of bond monies are the ones typically down-rated by the rating agencies, and so have to pay a higher rate of interest.

In all these regards the states of Western Europe, and allowing for what are considerable differences between them, are as different as it is possible to imagine without straying out of the field of what are defensibly democratic institutions. In the US the state form functions in a highly territorialized fashion. To recall Jessop’s (1990: 345) tripartite description of state structure – inputs or modes of representation, throughputs or state organization and policy outputs – in each respect the territorial looms large. In each instance what are specifically local interests are given pride of place. Modes of representation, as in the practices surrounding the primary, the committee system and roll call voting, mean that a representative’s geographically defined constituency is privileged. A decentralized state organization works in a complementary way,

\textsuperscript{27} This accounts for the widely-felt concern, \textit{inter alia}, for fiscal disparities between the local governments comprising metropolitan areas.
facilitating rather than frustrating the implementation of policy that can differentiate geographically and respond to a similarly decentralized aggregation of interests. Meanwhile at the level of policy, and as Theodore Lowi (1969) pointed out many years ago, the tendency is for a response that legitimates the bottom up pressures of diverse interest groups, including the territorially defined, rather than one that expresses some sort of set of independently derived principles as to the good society.

Among other things this has made it extremely difficult for the federal branch to impose any regional development plan. To be effective New Town policies, town expansion initiatives, policies aimed at reducing localized unemployment, have to be geographically selective. This might hardly seem worth mentioning except that in the US case this geographic selectivity, even when it was what inspired an original legislative initiative, has been extremely difficult to accomplish. An example comes from the activities of the Economic Development Administration (EDA), a federal agency accountable to the Secretary for Commerce (Barnekov, Boyle and Rich 1989). From 1965 on the EDA was required to promote the development of areas of persistent unemployment. This was to be accomplished through grants and loans for physical infrastructure, job training programs and long term, low interest loans to firms willing to establish plants in the eligible areas. But the ultimate goal of alleviating pockets of severe economic distress was compromised by the way in which Congress manipulated the various criteria as to what constituted eligibility for these funds. The desire of individual Congresspersons, of course, was that their own constituencies would be included (Barnekov, Boyle and Rich 1989: 111). The result was that about 80% of the US population found itself in areas eligible for EDA assistance.28

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28 Barnekov et al. quote from Grasso: “There is little evidence that the agency’s programs have succeeded in promoting the economic development of chronically depressed areas. Rather, the agency seems to have concentrated on achieving the goal of a wide geographic dispersal of aid, with a disproportionate share of the funds channeled to States with disproportionate representation in Congress” (1989: 79). Ellwood and Patashnik (1993) comment in a similar vein on the outcome of the Model Cities program of the mid-‘sixties. Originally intended to funnel billions in demonstration grants to the nation’s ten most severely distressed cities to see if comprehensive aid could alleviate urban poverty, by the time the bill became law the number of eligible cities had increased by a factor of fifteen. State Enterprise Zone programs have proven susceptible to the same sorts of multiplication and compromising of original intent. In Britain’s town expansion schemes of the ‘fifties and ‘sixties not all the towns identified as eligible took the offer up. In the US context that would simply not happen. In fact it would be hard to resist the claims of any and all towns to be on the list of those eligible for federally-subsidized expansion.
If the American state is highly territorialized in its workings, then the states of Western Europe have been located at the other extreme, even while, as I noted earlier, there has been some movement in the American direction. So while first-past-the-post forms of representation tend to prevail rather than the utterly de-territorialized proportional representation, the overlap of executive and legislative branches means that there have to be counter tendencies that stifle the expression of strictly local interests, notably some centralized oversight of who is nominated to run in elections and much stronger party discipline in legislative decisions. Likewise the possibilities of sub-national governments exercising the sort of serious policy discretion typical of the US are highly limited. Land use planning is subject to central oversight and the same applies to the financing of public works.29 Meanwhile, how policy is supposed to intersect with region and locality is very different. It has been rather a matter of centrally devised principles that through various redistributional policies have aimed at countering any territorial advantage that might accrue to particular places or regions. I am thinking here of a variety of things including national pay scales for state employees, inter-governmental grants scaled according to local needs and resources, and the way in which the progressive income tax and income supplements work to smooth out geographic difference.

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Having outlined the deep differences between policies for local economic development in the US and in the West European countries, I have suggested three possible slants on an explanation: quite stark variations in the political weight of the working class; differences in local power structures owing in part to the latter but also to the strength of local growth coalitions in the US; and differences in the degree to which state structures are territorialized. The question remains, therefore, as to how one might bring these three different arguments together? In what sense might they seem to complement one another or be expressions, however mediated, of a singular ordering principle?

We should note at the outset the tensions between a territorialized state structure and a politics conducted explicitly along class lines between political parties representing the working class on the one hand and a party that represents capital but which must also necessarily appeal to the

29 The only limits in the US case are the state laws given the amount of bonded debt that local governments are allowed to issue, though the latter have been extraordinarily inventive in devising ways round these constraints (Sbragia 1996).
propertied in general. Capital is able to play different territorially-defined fractions of the working class off against one another as it dangles employment in exchange for concessions on ‘business climate.’ Within metropolitan areas, jurisdictional fragmentation is a barrier to any redistribution on a local scale. Rather it works in the opposite direction and there is no arena at that scale within which a class politics around distributional issues might take shape (Newton 1978). As a general point, it is always in the interest of the working class to create more centralized institutions so as to offer a united front to capital. Capital, on the other hand, draws on decentralized institutions to gain the advantage over its adversary, multiplying escape hatches, threatening plant closures. I am not, however, arguing that state form is determinant.\textsuperscript{30} I think it is more complex than that.

For a start there is the argument that without the American South the political weight of the American working class would have been greatly enhanced. In effect, insisting on union and going to war over it was sealing the latter’s fate. There might seem to be some warrant for this. The history of the New Deal is revealing. Attempts to create a national welfare state rather than one with significant powers delegated to the individual states were stymied by Southern Democrat opposition. The concern was that the extension of relatively high national standards with respect to pensions and income supplements would be a threat to a low wage labor market there, particularly in rural areas (Alston and Ferrie 1985; Gordon 1991; Farhang and Katznelson 2005). After the Second World War, as the Republicans mounted a counter-attack, Southern Democrats joined with them to not only roll back a number of the labor reforms introduced under the New Deal but also to pass legislation that delegated a significant chunk of labor law, particularly that governing ‘right-to-work’ to the individual states (Farhang and Katznelson 2005): deepening the foundations for a competition between the states for inward investment that at a time when old concerns for regional labor market protection were evaporating Southern states were keen to engage in (Wright 1986).

What this suggests to me, though, is not so much the peculiarity of the American South and its implications for class politics as the more abstract issue of geographically uneven development.

\footnote{30 Compare Brenner (2008.)}
The diversity of the US is legendary and part of it has to do with a highly elaborated geographic division of labor, itself a reflection of the country’s physical diversity and extent, and part to do with very different regional histories and labor market conditions. This has always proven an obstacle to the emergence of a working class organized at a national level. Bringing together Southern sharecroppers with family farmers in the Plains states, an urban working class, German Socialists formed in the very different environment of Wilhelmine Germany, and Appalachian coal miners was always a very tall order.

There is another way of looking at geographically uneven development. Typically one thinks of it as a differentiation over space. But there is also an important sense in which it is internalized in particular places. This is through the mechanism of immigration: the coming together of people from regions at very different levels of development. This again has been the story of the US. As a country of immigrants the United States has a quite extraordinary history. Once in the United States they tended to make for the cities where they entered into contact with those who by then would have seen themselves as native Americans. They brought with them and continue to bring with them quite different expectations regarding standard of living. In Marxist terms the value of their labor power has been below that of native Americans creating the conditions for serious labor market anxieties on the part of the latter. It is widely recognized that this has always been a major obstacle to working class unity in the US: in crude terms a division between the established skilled and immigrant unskilled divided by language, religion and sometimes by ideas about race. This is to think of it purely in terms of migrants from outside the US. There have also been similar migrations within the US creating the same sorts of issues, notably the movement of African-Americans to the cities of the North and the West coast from a South where their material expectations had been minimal. This has had party political repercussions. Finding common ground around a working class agenda has been difficult. Rather different factions of the working class, identified by ethnicity, race and skill have tended to be absorbed by the existing political parties relatively easy (Davis 1980.)

31 It is also the fact that the ghettoization of immigrants, often by choice, tended through their multi-class character and ethnic identities, to make class formation more difficult.
It is some while since David Harvey (1985a) tried to bring together the dynamics of the accumulation process and geographically uneven development in what he called the geopolitics of capitalism. As we search around for some way of coming to terms with the trans-Atlantic contrasts that I have been discussing, revisiting that work might be rewarding. It is not an answer in itself. It needs to be addressed dialectically bearing in mind the differences I have laid out above and the suggested lines of explanation. Not least the exact meaning of ‘geographically uneven development’ needs to be taken into account along with how it enters into a relation with wider histories: the development of a single market in the EU suggests some convergence on the US case, particularly around ideas of competition in terms of ‘business climate’ and even sharper differences in development but the burden of past histories and discourses should discourage such easy inferences.
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