The politics of local and regional development

Andrew Wood

Introduction

This chapter concerns work on the politics of local and regional development. I start out by situating the emergence of the literature within the context of significant changes in the political economies of North America and Western Europe. A shift in how cities are governed coupled with the growing intensity of inter-locality competition stirred significant academic interest in the politics of local and regional development. The chapter then examines three different theoretical approaches that grapple with the politics of local and regional development. The first concerns the concept of urban entrepreneurialism and the related rise of a new urban politics (Harvey 1989). The second centres on the concept of the growth machine (Molotch 1976; Logan and Molotch 1987). The chapter turns, third, to examine the notion of the urban regime (Stone 1989, 1993). Collectively these concepts have served to revitalize the study of the politics of local and regional development. There are, however, important differences within this literature and the chapter sets out to describe the relative strengths of the different approaches. Over the past two decades the frameworks have spawned an expansive literature that has now moved well beyond the North American context in which it first developed. The final section examines the portability of the different approaches. In this section I emphasize their limitations and the need for a careful and measured appraisal of how well they travel.

The origin of work on the politics of local and regional development

The initial impetus for work on the politics of local and regional development can be traced to a series of profound changes in the nature of the advanced capitalist economies of North America and Western Europe. Various described as a period of economic restructuring or deindustrialization, the late 1970s and 1980s marked a transition from the relatively stable period of post-1945 economic growth based on classic Fordist industries to one in which local and regional economic fortunes were far less certain or secure. This was a time in which questions of local and regional development took on significant urgency. In short, local and regional development became a political matter.
This is not to suggest that Fordism had been marked by a universal pattern of local and regional prosperity. The health and vitality of local economies had always fluctuated with shifts in the capitalist space economy. Certain localities and regions such as the coal-mining communities based on resource extraction or areas focused on traditional manufacturing industries such as clothing and textiles had long witnessed significant changes in their economic fortunes and trajectories. However, the 1970s marked the beginning of an era in which uneven development and the prospects for future economic growth took on major political significance. At the same time the period saw a profound shift in the nature of the policy response. Earlier periods of economic difficulty had generally been met by national-level programmes and policies focused on ‘disadvantaged’ regions designated to receive state resources designed to mitigate economic decline. However, in the new era the institutional architecture took a different form. In Britain the period saw the growth of a new set of local economic development agencies and activities attached to local government, marking a significant shift in the spatial scale at which questions of local and regional development were addressed (Campbell 1990; Eisenschitz and Gough 1993). In the United States the picture was more complicated but the period of economic restructuring generated a pattern in which local and state governments adopted a more proactive role in seeking to protect and enhance the development of local and regional economies. The transformation is captured in David Harvey’s argument, explored shortly, about a shift from urban managerialism to urban entrepreneurialism (Harvey 1989).

While a turbulent economic time heralded academic work designed to theorize the politics of local and regional development we should be careful not to overstate the novelty of the practices captured by the transition to entrepreneurialism. In the US South state and local government agencies had long been active in seeking to cultivate economic development largely on the basis of attracting industry and investment from established regions (Cobb 1982). The Frostbelt to Sunbelt shift of industry and employment within the US was accompanied by the vigorous promotion of Sunbelt locations, heralding a competition for inward investment that came to embrace an ever wider range of locations. The general spread of inter-locality competition also saw the development of various metrics designed to describe and account for the demise of the traditional manufacturing regions that constituted the Rustbelt and the corresponding growth of the US South. Perhaps the most widely cited was the Grant-Thornton business index, an annual measure first produced in 1979 that ranked states according to the health of their ‘business climate’. The index and the ideas attached to it provided a model for policy makers that emphasized low corporate tax rates, relatively cheap labor and low levels of unionization. While the Grant-Thornton measure was criticized and subsequently abandoned the competition for inward investment took on a decidedly neoliberal hue, despite the heavy involvement of state agencies in orchestrating local economic development.

**Urban entrepreneurialism**

While recognizing a raft of earlier initiatives designed to promote local economic development, the 1980s marked a much more general shift in the significance attached to economic development and the extent of inter-locality competition. David Harvey has described the shift as a general transformation from urban managerialism to urban entrepreneurialism (Harvey 1989). For Harvey, urban politics had come to focus increasingly on local economic development:

The new entrepreneurialism has as its centrepiece the notion of public–private partnership in which traditional
local boosterism is integrated with the use of local government powers to try and attract external sources of funding, new direct investments or new employment sources.

(Harvey 1989: 7)

Urban entrepreneurialism involved more than simply a shift in the policy agenda to prioritize economic development in place of the traditional emphasis on collective service provision. As Harvey indicates, urban entrepreneurialism was also bound up with changes in the institutional arrangements through which cities are run involving a shift from government to governance. Urban entrepreneurialism marked the adoption of a much more proactive role on the part of local interests seeking to capture and embed flows of investment and the economic activities attached to them. Accordingly, the city’s economic health and prospects became central to understanding the politics of the city.

Harvey’s argument concerning the shift to entrepreneurialism is influential and widely cited. The thesis captures a diverse set of concrete changes which Harvey links to an underlying shift in the extent and nature of territorial competition. This, in turn, is related to deep and persistent crisis tendencies in the capitalist space economy. The theoretical basis for Harvey’s argument positions the shift as both widespread and lasting. Indeed, the argument has served as the context for a wide range of studies that have sought to examine how urban entrepreneurialism plays out in different national and local contexts (see, for example, Hall and Hubbard 1998).

The concept of urban entrepreneurialism is grounded firmly within the Marxist tradition, emphasizing the way in which local politics is embedded within a wider set of economic and political structures. However, the same period also saw the emergence of a set of novel ideas and frameworks that strive to capture the essence of the new urban politics by emphasizing the role of local agents and interests in shaping the politics of development. Two concepts in particular have assumed particular significance and I consider each in turn. The first is Harvey Molotch’s concept of the ‘growth machine’, introduced in 1976 (Molotch 1976) and later elaborated with John Logan in Urban Fortunes (Logan and Molotch 1987). The second is Clarence Stone’s concept of the urban regime (Stone 1989).

The growth machine

The growth machine is a compelling and yet relatively simple concept. Molotch argues that whatever the differences between powerful elite interests within US cities the mantra that holds them together is an overriding concern with the economic growth of the city. Furthermore, this is a near-universal phenomenon:

the political and economic essence of virtually any given locality, in the present American context, is growth. I further argue that the desire for growth provides the key operative motivation
towards consensus for members of politically mobilized local elite.

(Molotch 1976: 309–310; emphasis in original)

Building on the claim that growth provides the basis on which elites come together Logan and Molotch detail the local interests that lie at the heart of the growth machine. The principal animators are what Logan and Molotch term ‘rentiers’ or ‘place entrepreneurs’ defined as, “the people directly involved in the exchange of places and collection of rents” (Logan and Molotch 1987: 29). The fortunes of place entrepreneurs rest upon the intensification of land use and the realization of exchange value tied to rising land and property rents that accompany economic growth. The tie to land and property and the drive to intensify land use provide the foundation for growth machine activity. While propertied interests sit at the core of the growth machine these local actors have to mobilize the powers and resources of local government in order to secure the infrastructural conditions and the general political climate conducive to growth. Beyond those with direct interests in land and property Logan and Molotch identify a further set of interests in growth that includes local politicians, the local media (see Ward 2009) and utilities along with a set of ‘auxiliary players’ such as universities, professional sports teams, cultural institutions, local retailers and even organized labour (Logan and Molotch 1987: 75–85). These different actors and institutions are seen to share a collective interest in the conditions of the local economy and the realization of urban growth. Logan and Molotch argue that.

the pursuit of exchange values so permeates the life of localities that cities become organized as enterprises devoted to the increase of aggregate rent levels through the intensification of land use. The city becomes, in effect, a “growth machine.”

(Logan and Molotch 1987: 13)

Given their power and privileged position Logan and Molotch argue that urban development effectively serves to transfer resources and wealth to the propertied interests that comprise the rentier class.

**Urban regimes**

The growth machine thesis rests, as Molotch explicitly acknowledges, on evidence drawn from the American city. Clarence Stone’s work on urban regimes developed from research on the post-war politics of Atlanta, Georgia. Stone’s (1989) book *Regime Politics: Governing Atlanta, 1946–1988* has become a landmark study in the politics of urban development. In looking at the changing contours of urban politics over the post-war period Stone identifies a basic continuity in the arrangements for governing Atlanta. While the individual protagonists came and went two groups dominated Atlanta’s urban politics, forming a single urban regime committed to promoting the economic growth of the city. The governing coalition comprised Atlanta’s downtown business elite and, reflecting the city’s post-war black electoral majority, Atlanta’s black middle class represented by the city’s mayor. While these two groups comprised the governing coalition the concept of the regime rested on more than simply the identification of those with an interest in economic growth. The regime is defined as “an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions” (Stone 1989: 4; emphasis in original). While Stone’s work on Atlanta focused largely on the material resources or incentives that sustained the regime he later defines resources as “not just material matters but also such things as skills, expertise, organizational connections, informal contacts, and level and scope of contributing effort by participants” (Stone 2005: 329). In addition to focusing on the composition of the regime and the resources mobilized by different
regime members regime analysis directs attention to the nature of the relationship among the different coalition partners. As Stoker suggests, “the underlying issue is the extent to which a regime achieves a sustained capacity to act and influence developments in key policy areas” (Stoker 1995: 62). It is important to note that a commitment to growth is just one of a number of strategies that can define an urban regime. Indeed in reviewing cities across the US Stone identifies four different regime types (Stone 1993). The ‘development’ regime, characteristic of post-war Atlanta, is committed to promoting economic expansion. Such regimes bear close resemblance to the growth machine identified by Molotch. ‘Maintenance’ regimes seek to promote the routine delivery of urban services, while ‘middle-class progressive’ regimes set out to address the environmental implications of development or harness the gains from economic growth. The fourth type – the ‘lower class opportunity’ regime – seeks to structure urban development in order to widen the distribution of economic and social benefits and opportunities. In relying on the mass mobilization of urban residents this regime is distinct from the other forms. While the mantra of ‘growth’ holds the growth coalition together, Stone’s framework allows for a much wider range of urban agendas that help to define the nature and scope of the governing coalition. In this sense the regime framework proves capable of embracing a far wider range of scenarios than that associated with the growth machine model (Stoker and Mossberger 1994).

The concepts of the growth machine and the urban regime have been widely deployed. Most of the subsequent studies have, understandably, focused on the politics of local economic development, although its precise form varies from case to case. The two frameworks share significant strengths. The first, which they share with the concept of urban entrepreneurialism, is the move from a traditional concern with the formal structure and functions of local government to a broader focus on the question of governance and specifically on the ways in which local agencies develop what Stone terms ‘the capacity to govern’. Regime and growth coalition accounts focus attention on a range of powerful interests deemed to be particularly influential in determining the nature of urban politics. In this sense the work furthers the long-standing interest in the US literature in the question of ‘who governs?’ (Dahl 1961; Harding 1995; Hunter 1953). Yet the move also marks a welcome departure from a traditional pluralist understanding of the state by drawing attention to the fact that different actors have quite different stakes in the nature, scope and outcomes of urban governance. Furthermore, such approaches are adept at highlighting the contested nature of the state and the ways in which conflicts over the state’s multiple roles are commonly expressed via tensions between different departments and branches of the state (O’Neill 1997). Furthermore, while focusing squarely on the relationship between state agencies and interests within civil society these interests are by no means taken as a set of equivalent constituencies. Indeed work in the growth machine and regime traditions places particular emphasis on the relationship between the state and local business interests. Second, while the frameworks recognize the structural or systemic power of business interests in influencing the capacity to govern the frameworks also posit considerable scope for local agency. As Stone indicates, “urban regime analysis … concerns how local agency fits into the play of larger forces. Local actors are shaped by and respond to large structures, but the appropriate lens for viewing this wider field is local agency” (Stone 2005: 324). Third, both models direct attention to the informal ways in which local interests seek to shape and influence the pattern of urban governance. For Stone regime theory strives to examine “the informal arrangements by which public bodies and private interests function together in order to be able to
make and carry out governing decisions” (Stone 1989:8–9). Accordingly, a key strength of such work is in delving beyond the formal arrangements by which urban decisions are made in order to examine the negotiations and compromises that underpin urban decision-making.

In short, the frameworks highlight a concern with the practices and discourses that help to constitute urban strategy. A concern with the informal arrangements of governance also has important methodological implications for it brings with it a requirement for detailed qualitative work designed to examine how urban agendas are constructed and particular decisions are made. It is no coincidence that work that deploys such concepts tends to undertake case studies of particular cities or, at most, a small number of cases. Furthermore, the emphasis on the stability and endurance of governing coalitions favours detailed ethnographic work. After all, Clarence Stone’s major contribution is based on the detailed study of a single city, Atlanta.

The politics of local and regional development beyond the US

While the concepts of the urban regime and the growth machine were developed to examine the US city, their use in a wide variety of different local and national contexts suggests considerable flexibility. In this section I examine the portability of these frameworks. The earliest applications beyond the United States are found in research looking at the politics of local economic development in Britain (Bassett 1996, 1999; Bassett and Harloe 1990; Cooke 1988; Harding 1991; Lloyd and Newlands 1988). I suggest that this work serves to highlight some of the limits as well as the strengths of the growth machine and urban regime frameworks. I then turn to the recent use of these concepts to study the politics of urban development in China.

The merit of exporting the US-based theories beyond their original context has generated a significant and ongoing debate. In one corner scholars argue that the frameworks reflect conditions particular to the US (Ward 1996; Wood 1996; Jessop et al. 1999; Davies 2003). For Peck and Tickell, “the growth machine hypothesis … remains a framework with which to understand the particularity of US politics” (Peck and Tickell 1995:59). While this is not to deny the capacity of the frameworks to shed light on the US case it does bring into question their wider application. However, others see any such problems as surmountable. Dowding and colleagues use the regime concept to explore local politics in London (Dowding et al. 1999), while Mossberger and Stoker argue that once suitably modified the use of the regime framework beyond North America has “facilitated the development of a valuable and plausible political economy perspective” (2001:830).

The relationship between local state institutions and business interests provides a useful window on the question of the wider utility of regime and growth coalition models. This is, after all, the relationship that lies at the core of both frameworks. For Mossberger and Stoker (2001) the regime concept is particularly helpful in examining the extent and nature of business engagement in urban governance. And yet Harding suggests that in practice work on Britain has largely failed to examine the nature and scope of business mobilization (Harding 1999). In part this reflects basic differences in state form, not least the susceptibility of local state institutions in the US to the power and influence of business interests (Wood 2004). Despite these differences the 1980s saw a sustained effort to incorporate business interests into local policy-making in Britain and a number of studies examined the nature and extent of business mobilization, albeit often highlighting the difficulties involved in creating a shared and coherent local business vision (Peck 1995; Peck and Tickell 1995; Raco 2003;
Rogerson and Boyle 2000; Valler 1996; Wood et al. 1998; Valler and Wood 2004). Similar findings have been reported in other contexts in which business interests have come to play a more active role in urban politics. The much vaunted growth of “public–private partnerships” might be taken to mark convergence on the US model. However, despite a similar concrete form, work beyond the US commonly positions such coalitions as heavily orchestrated by the state rather than driven by the spontaneous engagement of local business interests. In the case of Sydney, McGuirk argues that, “beyond project-specific public–private partnerships, the formation of partnership-style relations with government has largely been state-orchestrated” (McGuirk 2003: 215). In continental Europe such partnerships can be seen to reflect the prominent and long-standing tradition of corporatism, while work on Britain suggests a similar dynamic in which engagement between local government and the private sector rests heavily on rules and norms established by central government (Jones and Ward 1998).

The tendency for US models to underplay the influence of the central state reflects its highly decentralized form. However, it also raises a wider conceptual issue concerning geographic scale and what many see as the limited ability of the growth coalition and urban regime models to conceptualize the place of local politics within processes and relationships that operate beyond the urban scale (Lauria 1997; Stoker 1995; Tretter 2008). Rather than fall into the “localist trap” (Stoker 1995: 67), studies “require a multiscalar perspective” that serves to problematize “the scalar organization of governance” (McGuirk 2003: 204).

Related to the sanctity of the urban scale is the tendency for traditional frameworks to privilege the internal dynamics of urban regimes or coalitions or what Stone terms “the internal politics of coalition building” (1989: 178). What matters is how the state/market dynamic plays out within the urban arena and interest centres on how urban agendas are produced by a set of local agents trying to develop workable strategies that enable and encourage collective action. The emphasis on the role of the local newspaper in serving “to bolster and maintain the predisposition for general growth” (Logan and Molotch 1987: 72) is one sign of the emphasis on the internal machinations of urban coalitions. While such accounts highlight the vitality and agency of local actors and the complex ways in which urban agendas are negotiated and pursued they commonly serve to marginalize the role played by much wider discourses and practices that have national or international scope. Developments such as the rise of the ‘creative city’ or the ‘global city’ are examined as de facto changes in the context in which urban politics plays out rather than as ideas and practices that are partly constituted and reproduced by local
agency at the urban scale. Once again, the urban scale and processes and relations beyond the urban are treated as analytically separate phenomena.

The privileging of the local scale and its internal politics is one reason why regime accounts commonly drift towards the detailed empirical description of urban governance rather than interpreting concrete cases through reference to more abstract theoretical frameworks. On this point the contrast with Harvey's account of urban entrepreneurialism is particularly telling. While work in the regime and growth coalition traditions explicitly recognizes the significance of social stratification there is little attempt to interpret regime types or growth coalition politics through a broader interpretive framework. For this reason regime accounts commonly struggle to explain regime change other than through reference to the internal dynamics of regime building. Furthermore, while regime analysis identifies a plethora of regime types it is often difficult to assess the significance of the differences between them given the absence of a broader theoretical framework in which to position them.

While the contextual limit of the regime and growth coalition concepts remains an open question the frameworks have been ever more widely adopted. The case of China proves particularly intriguing. As indicated above, a common starting point for work in the regime and growth coalition traditions is the manner in which two sources of power are combined and mobilized in order to bring about certain results. The first is the power of governmental authority which, in the US case, is seen to rest on the legitimacy of elected government. While elected officials are beholden to local constituencies the state has the resources and authority that enable the development and pursuit of an agenda designed to meet the goals of coalition interests. Yet these various interests clearly differ in terms of their own power and significance. Molotch and Stone recognize that in capitalist societies economic power rests firmly with the ownership and control of economic assets or, in other words, the owners of private capital. On this basis private business interests are deemed to be essential to the coalitions that assemble together in order to devise and shape urban agendas (Mossberger and Stoker 2001). Given the systemic power of business interests it is little surprise that the strategies and policies pursued by governing coalitions tend to favour the owners of capital rather than other interests and groups within civil society.

On this basis China represents an interesting paradox. As Stoker indicates:

Regime theory takes as given a set of government institutions subject to some degree of popular control and an economy guided mainly but not exclusively by privately controlled investment decisions.

(Stoker 1995: 56)

Growth coalitions and urban regimes rest on stable, established patterns of accommodation between the state and a range of powerful business interests often represented through collective business organizations. Yet it is also clear that even when these conditions are present the existence of regimes is not guaranteed – it is a necessary but not sufficient condition. The popular control of government allied to the strength of local business interests would both seem to militate against the application of regime and growth coalition models to the Chinese case. However, a number of recent changes broadly captured in the notion of ‘transition’ are seen to have opened up the possibilities for such work (Zhang 2002). The decentralization of governmental decision-making and the growth of revenues outside of the central planning process provide a key incentive for more entrepreneurial forms of urban governance. With regard to local business interests the movement towards the commodification of land and property is seen to
have the potential to generate the local ‘landed interests’ at the heart of the urban growth coalition (Zhu 1999). Furthermore, the speed and intensity of economic growth would also seem to highlight the prevalence of development as a political issue. As Zhu suggests, “pro-growth seems to be at the core of urban policies in the face of fierce economic competition” (Zhu 1999: 537). Given the nature of these changes both the growth coalition and urban regime models have recently been applied to examine urban development in China (Yang and Chan 2007; Zhang 2002; Zhu 1999; Wang and Scott 2008). While this work provides a very welcome addition to the literature on the comparative politics of local and regional development the analytical contribution of the growth coalition and urban regime concepts is much less clear. Harding’s (1999) earlier argument concerning the tendency for research on Britain to use the terminology rather than the analytical purchase of the American models continues to resonate.

Conclusion

Traditional frameworks for understanding the politics of local and regional development have now generated a wealth of studies that have significantly enriched our understanding. Harvey’s thesis on urban entrepreneurialism and the rise of the new urban politics has proved particularly influential, linking the politics of local and regional development to a powerful set of wider changes in the nature of the capitalist economy. The concepts of the growth machine and the urban regime have also provoked a welcome array of studies. Yet in closing I suggest that we continue to exercise some caution when applying these models beyond the US context. First, we should recognize the differences between contexts and the extent to which the US-based models reflect their particular place of origin. Regime and growth coalition models direct attention to agendas and strategies that reflect the decentralized nature of the US state. Land use regulation provides just one example where powers of land use zoning and regulation rest very firmly with local tiers of government. Accordingly, the politics of land use intensification is very much a local matter.

Arguably, the parochialism of the models reflects a more general failure to theorize the state. Just as the nature and territorial configuration of the state can be brought into question attention should be given to the geographic specificity of the business interests that animate urban coalitions. Again the US context provides a particular set of circumstances that are not always widely replicated. Central to the urban regime and especially the growth coalition model are interests intimately connected to land and property. While this by no means exhausts the range of interests that engage in coalition activities it does serve to highlight the geographic specificity of the interests involved, or, what Cox and Mair term, their local dependence (Cox and Mair 1988; Cox 1998). What matters for the ‘landed interests’ is the realization of exchange values in a particular place. In short, the politics of local and regional development in the US remains driven by a set of interests with local stakes. Recent work on China, like much of the literature on the politics of local and regional development, pays relatively short shrift to the geographic specificity of the interests caught up in the politics of local and regional development. The centrality of land-based interests to the politics of local and regional development also has critical implications for what counts as ‘development’. The traditional models presented in this chapter tend to privilege the way in which local and regional politics is animated by interests in a particular form of economic development, centred on local economic growth and, more narrowly still, on the intensification of land use. Again, the models reflect their time and place of origin and, as such, it is difficult to see how such approaches might handle the emergence
of more holistic and sustainable understandings of development centred on strategies of low or no growth (Pike et al. 2006).

The coupling between strong business interests and local governmental power and authority in the pursuit of economic growth sits at the very centre of US-based work on the politics of local and regional development. This parochial emphasis is problematic, placing undue emphasis on local events and interests while failing to take into account sources of power and authority across the range of geographical scales. In part the emphasis on the local scale stems from the fact that much of the US-based work is rooted in urban studies. However, in turn, this reflects the particular conditions prevalent in the US, most notably the significant power and authority of sub-national government allied with strong and active local business interests.

References


Further reading


