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The citizen of the United States is taught from infancy to rely upon his own exertions in order to resist the evils and the difficulties of life; he looks upon the social authority with an eye of mistrust and anxiety, and he claims its assistance only when he is unable to do without it.¹

Just as it is sometimes useful to take one step backward before taking two steps forward, it also can be instructive to look for wisdom in the past before offering a conjecture on the future. The observations of Alexis de Tocqueville, one of America's greatest chroniclers, provides insight into the formative years of the United States. The above quotation reminds us that Tocqueville recognized that American reliance on central authority was a last resort, even for individuals who had experienced a war of liberation and the uncertainties of frontier development.

Tocqueville was impressed by the self-direction of early Americans and their predisposition to use their personal resources to create the future rather than petition governments to do it for them.² His writings may help formulate a solution for the problems of our days.

This Article has three Parts: Part I provides a perspective on what remains of United States urban policy after the Reagan and Bush years. Part II sets forth a critique of the current institutional framework for the construction of national urban policy. Finally, Part III addresses current challenges for American metropolitan areas. In the spirit of Tocqueville, but with two caveats, I urge that greater reliance be placed on

² 1 id. at 198, 452.
actions of private firms and voluntary associations than on federal programs to restore the central cities of many of the nation's metropolitan areas. Government action to protect citizens and to remove previously erected barriers to economic transformation is necessary. Although this type of government action cannot guarantee that all distressed cities will survive, it will be more therapeutic than a patchwork of social programs.


At an urban policy conference in 1993, Dr. Michael Stegman, Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development (HUD), intimated that during the twelve years of the Reagan and Bush administrations, national urban policy was a shambles. Dr. Stegman was not alone in this estimation: the editorial pages of national newspapers echoed his assertion. Recently, some scholars have joined this school of thought. Those sympathetic to a more activist, interventionist, and redistributionist federal role have published their views. The editors of a special issue of the Journal of Urban Affairs characterized the current urban situation in the following terms:

Cities and their problems have been neglected in discussions of public policy by both political parties. It is also clear that urban problems in the 1990s, in many respects, are very different from those encountered in the 1960s. We now face a fiscal crisis that is unprecedented in recent history. Deindustrialization and the reorganization of basic


industry have forever changed the face of American cities. The federal government is perceived as reluctant to play a leadership role in the development of a national urban policy.\textsuperscript{5}

The essays in that issue are premised on the idea that, to be effective, solutions to urban problems must be broad in scope and must be aimed at larger structural problems, rather than at individuals.\textsuperscript{6} The authors contend that market processes have failed to redress the problematic conditions of contemporary cities; the need remains for the enhancement of the cities' infrastructures and the mitigation of poverty.\textsuperscript{7} For such scholars, an urban crisis confronts the nation and government intervention is the solution.

Similarly, the \textit{North Carolina Law Review} recently published an entire issue devoted to the "urban crisis."\textsuperscript{8} While most of the contributions deal with race-related issues, the general framework for discussion adopts the "crisis" model of metropolitan America:

[I]n 1993 America's cities face grave, burgeoning social ills, many of them closely intertwined with race and ethnicity: a decline in manufacturing and other blue-collar jobs, inadequate public schools, an explosion of gang- and drug-related violence and crime among the young, the AIDS epidemic and other looming public health challenges, an increasingly impoverished citizenry, and private disinvestment in urban projects.\textsuperscript{9}

While there is greater diversity of analysis and opinion in this volume than in the issue of the \textit{Journal of Urban Affairs} cited above, the editor of the \textit{North Carolina Law Review

\begin{itemize}
  \item \textsuperscript{5} David L. Ames et al., \textit{Introduction} to Symposium, \textit{Toward an Urban Policy Agenda for the 1990s}, 14 J. URB. AFF. 197 (1992) (From the Editors).
  \item \textsuperscript{7} Ames et al., supra note 6, at 211–12.
\end{itemize}
concludes in her summary of the topic that "America needs a national policy that integrates both economic and social policy and addresses the particular problems of America's cities, while at the same time not undercutting the potential coalition between rural and urban interests." This implies that an expanded scope of control for public officials and a greater infusion of public funding is necessary to address the new-old problematique urbaine.

Both of these journal efforts are reminiscent of the discussions and conclusions of The 1960 President's Commission on National Goals which set forth goals for economic and social policy, including reduction of unemployment and improvement in the provision of medical care, education, and social services. One of the essays submitted for the Commission's review called for the establishment of a cabinet-level agency to coordinate distribution of federal aid and development of federal urban policy. Referring to the "enormous and expensive packages" that make up the urban environment, that essay argued that "the only way to affect it is by influencing the big decisions that produce the package." This task required an understanding about what was desirable, what was possible, and how the elements of the urban environment interact. Improvement of the physical environment ultimately would require a large infusion of capital. The essay concluded:

Fortunately it is not the citizen-consumer's responsibility to acquire and apply this knowledge entirely on his own. Politicians, experts, critics, civic leaders, the press, all have important roles in translating the complexities of the physical environment into understandable terms and choices, a role which they have been fulfilling more and more in recent years.

13. Id. at 246.
14. Id.
15. Id.
16. Id. at 246–47.
These views of the desired role of the federal government in urban affairs were reflected in testimony that was presented in a hearing before the Joint Economic Committee of the United States Congress in 1979.\textsuperscript{17} The topic of that hearing was whether the urban crisis was over. The answer, of course, was that it was not.\textsuperscript{18}

After more than a decade of dormancy, there has been a recent stirring of urban renewal—a revival of the myth of a general "urban crisis" and its corollary, the requirement of federal action to combat it.

This view, that an expansive role of government is necessary to combat the urban crisis, was not widely accepted in the 1980s, as evidenced by several important publications from that decade. Those publications found previous government actions aimed at combatting urban crises to be either mostly ineffectual or counterproductive. One such publication requested by President Carter was \textit{A National Agenda for the Eighties}.\textsuperscript{19} This report delivered the message that "[i]t is far more judicious to recognize that the major circumstances that characterize our nation's settlements have not been and will not be significantly dependent on what the federal government does or does not do."\textsuperscript{20} The report advocated a redefinition of the federal role in urban policy, stating:

People-oriented national social policies that aim to aid people directly wherever they may live should be accorded priority over place-oriented national urban policies that attempt to aid people indirectly by aiding places directly. These major social policy initiatives and realignments should largely substitute for, rather than add to, existing federal policies.\textsuperscript{21}

\textsuperscript{17.} \textit{Is the Urban Crisis Over?: Hearing Before the Subcomm. on Fiscal and Intergovernmental Policy of the Joint Economic Comm.}, 96th Cong., 1st Sess. (1979). For example, one representative called for federal fiscal assistance to cities with high unemployment rates. \textit{Id.} at 2 (statement of Hon. William S. Moorehead, Chairman, Subcomm. on Fiscal and Intergovernmental Policy).

\textsuperscript{18.} \textit{See id.} at 3 (statement of Hon. Sedgwick W. Green, U.S. House of Representatives) ("[O]ur 'crisis' is not over."); \textit{id.} at 9 (statement of Hon. Robert C. Embry, Jr., HUD Assistant Secretary for Community Planning and Development) ("[T]he basic problems and issues which generated the President's urban policy still exist.").

\textsuperscript{19.} \textit{President's Commission, A National Agenda for the Eighties} (1980).

\textsuperscript{20.} \textit{Id.} at 167.

\textsuperscript{21.} \textit{Id.} (emphasis added).
In other words, no increased span of government control or federal resources was found to be warranted.

This theme was echoed in a symposium held by the Committee on National Urban Policy, in which "[a] reduced national role was accepted." 22 One contributor wrote:

Through what it has done and what it has not done, the Reagan administration has provided the opportunity and the incentive for this [urban policy] reappraisal to develop. . . . [T]hese efforts . . . to shift urban policy from (as has been said) a focus on places to a focus on people . . . have encouraged the rethinking now under way. 23

Finally, the 1987 special issue of Urban Studies devoted the majority of its pages to economic forces shaping the urban landscape. 24 The editor noted that "[t]he national urban policy debate is a pot no longer boiling." 25 Professor Mills, one of the issue’s authors, clearly explained the role of “non-urban policies as urban policies,” and discussed the dominating nature of their unintended consequences, which range from the distributional impacts of federal government procurement to that of investment taxation. 26 Another contribution focused on AIDS as a specific and genuine urban crisis. 27 Its author suggested that the term “crisis” does not refer to a long-term problem; a crisis is a turning point that presents opportunities to influence future directions. 28 If this is the meaning of crisis, then perhaps crises should not be deployed like faded flags waved merely to summon federal financial support to cities.

One can speculate about how there can be such a sea change in perspectives about the role of urban policy from the 1980s to the 1990s. Having served at HUD at the end of this period, and having been responsible for the development of President

22. Summary, in URBAN POLICY IN A CHANGING FEDERAL SYSTEM 1, 6 (Charles R. Warren ed., 1985) [hereinafter URBAN POLICY].
28. Id. at 480.
Bush's second national urban policy report to the U.S. Congress, I assert that there are flaws in both the idea that urban policy under President Bush was incoherent and the notion that an urban crisis has reemerged.

A. Rediscovering Urban America

A perspective different from the *problematique urbaine*, or crisis outlook, may be found in *Rediscovering Urban America: Perspectives on the 1980s*.\(^{29}\) This report is an empirical attempt to determine the current state of the U.S. metropolitan system in order to improve the quality of the urban policy debate. The report was based on an analysis of the economic, demographic, and housing trends among U.S. Metropolitan Statistical Areas over the past two decades.\(^{30}\)

The U.S. metropolitan system is far from equilibrium, as one would expect from any life-infused artifact of human action. It is not a mechanistic, balanced system of planned regularities. Individuals and firms are engaged in a constant search for opportunities. Urban concentrations, rich in diverse populations, are the greatest sites to discover such opportunities. As these concentrations and the cities at their cores have increased in complexity, and as global communication systems have become more connected, the competition among the world's metropolitan areas has increased. Advanced communications and more permeable national boundaries permit innovations to spread faster to lower wage areas, which then take advantage of the ideas to produce goods for less. Metropolitan centers in the United States, like those in other parts of the world, are adjusting to these changes.

As part of this report on the United States, Professors Hicks and Rees described the metropolitan-scale picture of changes in manufacturing and service employment, showing the general

\(^{29}\) *REDISCOVERING URBAN AMERICA: PERSPECTIVES ON THE 1980s* (Jack Sommer & Donald A. Hicks eds., 1993) [hereinafter *REDISCOVERING URBAN AMERICA*]. Contributing authors to this collection are William C. Baer, Lee Fairman, William H. Frey, John D. Kasarda, Richard Peiser, Robert W. Poole, John Rees, and P. Lynn Scarlett.

movement out of manufacturing and into services.\textsuperscript{31} Hicks and Rees showed how jobs "churn" in dynamic cities, citing Dallas as an example. Although Dallas lost twenty-seven percent of all its jobs in the second half of the 1980s, the city replaced virtually all of them without any government intervention, experiencing a twenty-four percent increase in new jobs during the same period.\textsuperscript{32} The lesson is that conservative acts by a public agency to keep old jobs in place through subsidy, or by fiat, are bound to destroy the entire system in the name of saving particular places.\textsuperscript{33} Intervention stifes the evolution of the system by introducing barriers to economic transformation through distortion of pricing signals to firms and consumers. This is analogous to the decline in the health of a community that occurs when immense investments of resources are applied to life-support measures for a few individuals, leaving fewer resources for more routine health care.

Employment changes have resulted in a mismatch of human capital. Professor Kasarda demonstrated that there is dramatic evidence of skill-place mismatches at the central-city level, Philadelphia being a prime example.\textsuperscript{34} In Philadelphia from 1970 to 1989, central-city employment fell by about 21%, with manufacturing jobs slipping from 33.3% to 14.6% while white collar services increased from 28.5% to 48.5%.\textsuperscript{35} Many of the less-skilled individuals remained in the central cities as their jobs left,\textsuperscript{36} only to witness the arrival of immigrants, particularly Asians, who have been successful at coping with their initial poverty.\textsuperscript{37} This success has vexed those who have urged major government-enforced, wealth transfer policies as the only means for low-income individuals to escape their situation.

Cities have experienced not only shifts in employment, but also shifts in population. As one author showed in demographic

\begin{itemize}
\item \textsuperscript{31} Donald A. Hicks & John Rees, Cities and Beyond: A New Look at the Nation's Urban Economy, in Rediscovering Urban America, supra note 29, ch. 2, at 14–15.
\item \textsuperscript{32} See id., ch. 2, at 40–45 (discussing the changes in employment in Dallas and the possible causes of those changes).
\item \textsuperscript{33} See id., ch. 2, at 42 ("[S]imultaneous and incessant job loss and business failure are integral to the overall processes of growth and development—and restructuring—of an economy.") (emphasis omitted).
\item \textsuperscript{34} John D. Kasarda, Inner-City Poverty and Economic Access, in Rediscovering Urban America, supra note 29, ch. 4, at 15–17.
\item \textsuperscript{35} Id., ch. 4, at 49–50 tbl. 4-4.
\item \textsuperscript{36} See id., ch. 4, at 15–17 (discussing the effects of the loss of "low-education requisite jobs" on urban joblessness and poverty rates).
\end{itemize}
terms, there has been a reversal of the trend of the 1970s, when smaller urban places beyond the boundaries of major metropolitan areas grew faster than the metropolitan areas themselves.38 In other words, cities transformed from less dense, doughnut-like configurations, into more dense rings of population concentration. Suburbs are now the places of residence for a plurality of the United States population.39 A mixture of new immigrants of varying ethnicities from the central cities increasingly is evident in the suburbs.40 Suburban concentration is a fact of great importance for national urban policy because of likely effects on election outcomes: the Republican takeover of Congress and the state houses in November 1994, with its stern implications for Democratic welfare policies, indicates that an economically more secure suburban population is not likely to respond to central-city issues. Similarly, the macro-scale shifts of population toward the two coasts and the Sun Belt41 have had important ramifications for congressional representation, and ultimately for federal policies that are effectively driven by proportional redistribution formulas.

In addition to considering employment and population shifts, the report dealt with housing trends and privatization. Peiser, Baer, and Fairman demonstrated that, during the 1980s, the quality of housing in the United States improved.42 According to the authors, "physical quality has improved so much that the traditional measures of inadequate housing—such as units lacking complete plumbing or overcrowding—are increasingly irrelevant."43 Poole and Scarlett reviewed the experience with privatization efforts in communities around the United States and found that, in most cases, these initiatives had resulted in the delivery of services at a lower cost to metropolitan inhabitants, often with an increase in quality.44 Their survey covered asset management, service contracting, enterprise associations,

39. Ames et al., supra note 6, at 200.
40. Frey, supra note 38, ch. 3, at 31-32.
41. Id., ch. 3, at 14-18.
42. Richard Peiser et al., Housing Markets and Patterns, in Rediscovering Urban America, supra note 29, ch. 5, at 2.
43. Id.
44. Robert W. Poole, Jr. & P. Lynn Scarlett, Policy Perspectives and Possibilities, in Rediscovering Urban America, supra note 29, ch. 6, at 9-16.
vouchers for activities from schooling to panhandling, tenant management, public housing privatization, and a variety of flexible zoning and building code revisions.45

There is no question that serious problems exist for too many inner-city residents, but the very specification of where these problems exist, and where they do not, vitiates the notion of a national urban crisis. The great majority of the worst cases of poverty are found in only a few places—not across the entire urban system. In fact, nine-tenths of the growth of poverty population in the United States between 1970 and 1980 occurred in fifteen cities of the Northeast and Midwest, and most of that was concentrated in Chicago, Detroit, New York, and Philadelphia.46

Although this summary hardly does justice to the report, its main message is clear: economic transformation is underway throughout the urban system, and this transformation will not necessarily result in the revival of places whose constituent functions are no longer demanded in the global marketplace. It makes no more sense to prop up a failing factory town in the United States than it does for Russian taxpayers to provide a subsidy to an industrial center whose products cannot be sold. Unless one concludes that urban space is sacerdotal, like the sacred ancestral places of indigenous cultures which they are loath to abandon, the challenge is how best to aid individuals to make the transition to new activities or to new locations. Location-based support promotes a museum landscape, as August Losch warned a half century ago.47

B. Urban Policy Under the Reagan and Bush Administrations

President Reagan and Secretary of HUD Jack Kemp, and to a lesser degree President Bush, concluded that while there exist certain limited, yet fundamental roles for federal government related to urban inhabitants, collective action should be

45. Id.
46. Kasarda, supra note 34, ch. 4, at 2–3.
47. See August Losch, The Economics of Location 326–27 (William H. Woglon & Wolfgang F. Stolper trans., 1st ed. 1954) (1940) (arguing that seeking new locations and combinations of people are preferable to maintaining old unprofitable ones, “even when the importance of extra-economic causes is freely admitted”).
aimed at helping individuals rather than places. Thus, urban policy under these administrations called for the annulment or deconstruction of some of the social programs established from the New Deal of President Franklin Roosevelt to the Great Society of President Lyndon Johnson. In the Reagan Administration there was little promotion of affirmative government that had, in its estimation, delivered large populations of city dwellers into destructive dependency relationships with the federal government. In President Reagan’s 1984 National Urban Policy Report, an urban policy framework was stated as follows:

The Reagan Administration has ushered in an era of dramatic change in intergovernmental relations, reversing the trend of the past 50 years that had made cities overly dependent on the Federal Government. This new era seeks to restore the authority of State and local governments, to rebuild and enhance the relationship between States and their cities, and to encourage elected officials on both these levels of government to forge productive partnerships with the private sector.

President Reagan’s strategy for revitalizing cities has aimed at creating, fostering, or, in some cases, accelerating these evolving relationships through a series of initiatives designed to encourage States and cities to set their own priorities and make the most of existing resources.48

Secretary Kemp’s letter to President Bush transmitting the 1991 National Urban Policy Report expressed continuity with the Reagan policies:

The proposed Fiscal Year 1992 budget recommended a number of important efforts, including a dramatic reduction in the capital gains tax rate to launch a new decade of economic growth, capital formation and job creation; designation of Enterprise Zones to help expand ownership of business and create jobs in distressed inner cities; and the expansion of educational choice through your America 2000 initiative.49

The 1991 *National Urban Policy Report* set six priorities: (1) expand homeownership and affordable housing opportunities; (2) create jobs and economic development through enterprise zones; (3) empower the poor through resident management and homesteading; (4) enforce fair housing for all; (5) help make public housing drug free; and (6) help end the tragedy of homelessness.\(^{50}\)

The Bush administration placed emphasis on confronting individuals with market incentives through privatizing public services, using rental housing vouchers to free up individual choice, transferring public housing into private ownership, creating tenant management where public housing could not be sold, reducing the regulatory burden on firms by establishing enterprise zones, and seeking to remove regulatory barriers to affordable housing.\(^{51}\) It was also a central tenet of the policy to eliminate illegal substance use and reduce crime in cities.\(^{52}\)

The programs undertaken were designed to weed, seed, and deed. Weeding out criminal activities was seen as fundamental to opening up cities to investment; seeding economic activity by establishing enterprise zones was seen as necessary to create jobs in places where private capital otherwise would be unlikely to flow; and deeding public housing, or using a resident management strategy and rental vouchers, was believed to be a means to increase individual choice and diminish the dependency of inner-city poor on local political forces. Secretary Kemp remarked that, "[i]mplementation of these initiatives and others on the Administration's agenda will help replace despair and hopelessness for those trapped in long-term poverty with hope and opportunity."\(^{53}\)

Even allowing for normal political hyperbole, a principled urban policy was in place—and many in the political world resented it greatly.\(^{54}\) Indeed, many of President Bush's policy proposals, including enterprise zones legislation, were voted down by a Democrat-controlled Congress.\(^{55}\)

\(^{50}\) *Id.* at 5–9.

\(^{51}\) *Id.* *passim.*

\(^{52}\) *Id.* at 59–66.

\(^{53}\) *Id.*


\(^{55}\) See *id.* ("We've been pushing the liberal Democratic Congress to pass [enterprise zones] legislation and these others, and we couldn't get them.") (quoting Marlin Fitzwater) (alteration in original).
Despite conservatives' reluctance to formulate an explicit national urban policy in the 1980s, one author has pointed out that conservative urban policy was implicit within defense policies that allocated funds for defense contracts and military bases to certain communities, often causing those communities to prosper. Thus, conservative rejection of urban policy per se was rhetorical: government continued to intervene in cities through the indirect effects of other types of policies. This critique would also apply to liberal urban policy because other policy domains are enduringly dominant and rhetoric is a major part of any policy in any administration. The conservative policies that are said to have been Republican White House rhetoric were, in large measure, made so by the unwillingness of the Democrat-dominated Congress to enact that administration's legislative program.

Rhetoric can become reality and Left and Right ambiguous, as the Clinton Administration's Fiscal Year 1995 budget for HUD demonstrates. The budget features both traditionally liberal and traditionally conservative measures, such as decreased funding for public housing, increased funding for vouchers, and a call for "empowerment zones" (which appear to be a form of managed enterprise zones). Professor Laws was probably correct to wonder whether the defeat of the nominally conservative President Bush would really usher in a liberal interventionist policy in American cities. With the advent of a Republican-controlled 104th Congress, the prospects for such policy are extinguished.

II. NATIONAL URBAN POLICY IN THE MAKING:
THE ROLE OF HUD

For many Americans, policy making is viewed from a distance, through the lens of a civics textbook, conforming to an

57. See id. at 297 (discussing the continuing intervention in cities under conservative governments).
59. Laws, supra note 56, at 303 ("With the defeat of the conservative Bush administration . . . [t]he degree to which there will be more explicit and liberal interventions in urban areas remains to be seen.").
ideal that admits of few imperfections. Policy making is, however, as full of imperfections as any human endeavor. In this Part, I describe some of the conditions under which urban policy is made. What follows does not conform well to that civic textbook's version of a clear division of authority between the three branches of government, nor does it support the notion of party-line cohesion among policymakers.

A. Executive Branch Personnel

HUD is the lead agency for urban policy in the executive branch, but it is, a fortiori, a creature of the legislature—and Congress wants to keep it that way. HUD was founded in 1965 by a Democrat-controlled Congress and has outlived threats by Republicans to dismantle it.

In round figures, there are 14,000 HUD employees, approximately 140 of whom were political appointees under President Bush. The remainder are scheduled civil servants. Essentially, this means that the White House is able to name only one percent of the HUD positions. In addition, the Secretary of HUD is permitted to identify as his choices only about fourteen employees, or one for every 1000 employees; and these are the key figures on his management team. These figures seem to vary only slightly from one administration to another.

The vast majority of HUD employees come from the ranks of permanent civil servants. Many of the White House appointments are political payoffs for demonstrated loyalty during campaigns. Some of these appointees are deployed to keep an eye on the Secretary and his appointees; others have only the slightest idea about the requirements of the job to which they are assigned. In comparison, the few appointees of


61. The president appoints a Deputy Secretary, eight Assistant Secretaries, and a General Counsel, 42 U.S.C. § 3533(a) (1988 & Supp. V 1993), and the secretary appoints a Director of Urban Program Coordination, an Assistant to the Secretary, a Federal Housing Administration Comptroller, and up to six other officers or employees. 42 U.S.C. §§ 3533(c), (d), (f), 3535(c) (1988 & Supp. V 1993). Typically, other appointments of Deputy Assistant Secretaries, Special Assistants at different levels, and others increase the total political appointments.

62. See supra note 61.
the Secretary are predominantly individuals who understand the mission of the agency and the Secretary's designs for it.

These demographics of HUD provide the pitch and tone of the daily workings of the agency. The majority of civil servants in senior rank are white males nearing or past the age of fifty who committed themselves to public service during the heady days of the Great Society programs. They were young then, full of energy to match the budgets being showered upon the new agency by the Congress. Their training had been in urban planning or public administration, and their conviction, born of the times that produced the Goals for Americans document, was that their expertise and vision provided a warrant for action on their behalf. In no sense should one question their sincere desire to do good.

They were permitted to pursue their vision of a carefully managed society to the extent that it comported with Congressional designs and did not stray from administration dogma. But administrations and their dogmas change even if Congress changes little, and the advent of the Reagan years caught most of this cohort of HUD employees at a crucial stage in their careers—ten to fifteen years in government—in too deep to leave and with no place to go in the agency. Under these circumstances there is a tendency for immobile bureaucrats to try to wait out the politicians and to change programmatic efforts only superficially, or not at all.

Given this framework, one could expect that longstanding bonds between these disappointed employees and Democratic congressional staffers were stronger in the 1980s than those between these staffers and employees in senior, politically appointed positions within HUD. This is especially true when political leadership fails, as it did under Secretary of Labor Samuel Pierce in the Reagan Administration. The public disgrace of Mr. Pierce and some of the political appointees' departure from HUD left behind a morale problem among the dedicated civil servants. Under the circumstances described,

63. See supra notes 11-16 and accompanying text.
64. Each agency is constrained by the limited number of higher grade employees (GS-14s and GS-15s) authorized by the Office of Personnel Management.
65. For a discussion of the scandal surrounding Samuel Pierce's leadership of HUD, during which prominent Republicans were paid large sums to win building contracts for wealthy developers, and HUD suffered from fraud and theft, see Nancy Traver, Sam Pierce's "Turkey Farm", TIME, Sept. 18, 1989, at 20. The article notes that, under Mr. Pierce's leadership, "HUD was becoming a dumping ground for Reagan contributors who knew or cared little about housing." Id.
and professionalism notwithstanding, it is not surprising that important information about administration strategies or initiatives may have passed easily to Congress.

B. Relationship with Congress

Such insider information may have been instrumental in the congressional micromanagement that forced the creation of an Office of Lead-Based Paint Abatement and Poisoning Prevention at HUD. The newly created office was staffed by pressuring the reallocation of twenty of approximately 140 professionals from the personnel ranks of the Assistant Secretary for Policy Development and Research (PD&R) in retaliation for PD&R being the source of the most vexing resistance to congressional attempts to manipulate HUD during the Bush years.  

Staff friendships with congressional peers, combined with similar long-standing relationships with individuals in lobbying organizations, further diluted the thrust of Republican administration policy directions. Many lobbyists, backed by powerful members of Congress, walked the halls of HUD in full expectation of having their demands for grants and contracts met. Old habits are as difficult to break as "iron triangles."

C. Relationships Within the Executive Branch

There are few policymakers and many policy actors in the federal government, and both are often hostage to issues outside their scope of responsibility. Although high office does not necessarily confer authority, the holder often must act as if it does. Some brief examples will illustrate the point.

Consider the place of HUD Secretary Jack Kemp in the Bush cabinet. Although faithful in his duties to the President, he could hardly be called a Bush Republican. Cabinet appoint-

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66. These are observations of the dynamics of the decision-making process made by the author during his service at HUD.
67. Policy actors are those who simply carry out the policies that policymakers create. Thus, their actions are greatly circumscribed despite titles like "Assistant Secretary."
ments are based on many factors, such as ideology, ethnicity, regional origin, and relationship to client groups. The conservative wing of the Republican Party thought Kemp would be a good cabinet appointment because, among other qualifications, he would balance the more liberal Environmental Protection Agency administrator, William Reilly. 68

Being far from the center sometimes draws special attention from those who seek to maintain balance. It is well known that Richard Darman, Director of the Office of Management and Budget (OMB) sought to make policy actors, instead of policymakers, out of cabinet officers by controlling their budget. 69 Secretary Kemp was no exception, particularly because his idea of an urban policy diverged from the views of many conservative Republicans. 70

Secretary Kemp's urban policy was spelled out in The President's National Urban Policy Report, 1990. 71 Such urban policy reports are mandated by Congress and prepared biennially by HUD. 72 Preparation of the Report is an exercise in turf protection, revealing the frailty of cooperative interagency behavior. Interdepartment coordination is necessary to assure that a president's urban policy pronouncement will not impact the domain of another department or conflict with existing policies. 73 Contention over ownership of programmatic areas is inevitable. HUD coordinates and drafts the document, integrates the contributions from other agencies, tolerates oversight from White House domestic policy staff, and passes the penultimate draft to OMB, whose chief job is to assure that no unwarranted expenditures are promised. 74

68. See Rachel Flick, Ready to Go, NAT'L REV., Jan. 27, 1989, at 15 (describing the balance among President Bush's appointees).

69. See Broder, supra note 54, at A4 (quoting a Kemp associate as saying that Darman and James Brady had "taken over domestic policy").

70. See John E. Yang, Address City Issues, Kemp Urges Bush, WASH. POST, May 5, 1992, at A26 (discussing Kemp's call for Republicans to take action to address urban problems).


73. See id. 42 U.S.C. § 4502(b) (stating that Congress has found that federal programs often impact urban development and conflict with each other, necessitating the coordination of future programs).

74. See id. 42 U.S.C. § 3535(o)(7) (requiring the Secretary of HUD to "include with each rule or regulation required to be transmitted to [congressional] Committees... a detailed summary of all changes required by the Office of Management and Budget that prohibit, modify, postpone, or disapprove such rule or regulation in whole or part").
D. Relationships Within the Legislature

Quite beyond the distinctions of party affiliation, Congress is not uniform in its demand for urban policy because it responds to fluctuations in public support for such policies. Policies that affect urban areas, such as defense, jobs, infrastructure, health, and education, are considered continuously: some may even be claimed to be the very essence of an urban policy, if cities happen to be topical at the time and it suits the aims of the member.

Congress itself is made up of houses divided: the Senate and the House of Representatives have fundamentally different scopes and spans of control. Committee staff are split between majority and minority parties, but both are focused on assuming that the national pictures that they develop and that evolve from compromises among members comport with those of constituents.

Each actor in the legislative drama has a personal agenda, which may include a personal vision of the public interest or the good of the nation. Members' visions are not always in harmony with that of the majority who voted for them, let alone with that of the president. Although some members and staff may have a coherent urban policy in mind that comports with the president's, coherence is dissipated quickly in the labyrinthine path a policy must take to reach the floor for debate.

Even without introducing the complexity of the judiciary, national urban policy making is unlikely to deliver either an academic's rational model of policy, or one that is identified as a comprehensive urban policy around which majority opinion may coalesce. United States urban policy appears fated to be a virtual afterthought, a patchwork of programs directed at some urban constituents, but overlaid and dwarfed by policies directed at such areas as defense, transportation, health, infrastructure, or crime. Just as past policies related to interstate highway construction and housing loans to veterans had major unintended impacts on the shape and function of metropolitan areas, spreading settlement far beyond the

75. See supra note 56 and accompanying text.
76. See, e.g., Broder, supra note 54, at A4 (describing the push for passage of urban policy initiatives in the wake of the Los Angeles riots).
central city nucleus, so too will other major affirmative interventions by the federal government. Each of these policies will have major implications for urban places—they must, because most Americans are urban dwellers. They will, however, bear little resemblance to the bold urban initiatives envisioned in the 1960 Goals for Americans document or to the dreams of wealth transfer by the latter-day messengers of the problématique urbaine.

III. METROPOLITAN CHALLENGES AND FUTURE URBAN POLICY: WHAT IS RIGHT?

What are the challenges for metropolitan America, and what policies might be constructed to support the goal of a better life for all urban Americans? In this Part, I comment on some systemic considerations that militate against a comprehensive national urban policy. I describe four fundamental urban conditions and evaluate the challenges these conditions force us to consider. Finally, I conclude with six policy recommendations.

A. Systems and Sentiments

Is there a credible role for a national urban policy in the United States today? Can an effective policy be aimed at the major population nodes in a settlement hierarchy that includes several megalopolitan constellations, some 300 or so Metropolitan Statistical Areas (MSAs), many of which are lodged within these megalopoli, and thousands of urban places distant from these huge agglomerations? Combined, these places are home

77. For example, highway construction has led to the development of "edge cities." JOEL GARREAU, EDGE CITY 128 (1991). An edge city is a spread-out urban center composed primarily of single-family homes, office parks, and shopping centers, and located far outside old downtown urban centers. Id. at 3–6. Garreau notes that "[t]he more [automobile] capacity you add, the more likely you are to make the place more popular, attracting more development, thereby attracting more business . . . ." Id. at 128; see also id. at 37–41 (discussing the location of edge cities along highways).

78. See supra notes 11–16 and accompanying text.
to 77.7% of the United States population, but are they feasible objects of policy? I argue that these metropoli are not feasible objects of policy because these areas, and the cities within them, are dynamic systems in which the wishes of the populace are not predictable.

For convenience of study, many urban analysts have preferred to treat these settlement nodes as a closed system to which deterministic equations are applied to deliver ultimate econometric solutions that balance a myriad of competing interests. Upon reflection, however, most urban planners and analysts would agree that this system of cities is not closed to global influences. Nor could they afford to be a closed system, as Jane Jacobs has observed so aptly in her book on the wealth generating successful capacity of "open-ended types of economies." Because of unforeseeable problems, successful economic development cannot be goal-oriented, but must respond to situations and build on successes as they occur.

Many social scientists are like ancient Archimedes: let us stay long enough at the lever of a supercomputer and we believe we can balance all equations. This belief harbors a lurking, possibly fatal, conceit that there can be an algorithmic solution to the knowledge problem which will permit central planning to succeed.

Treating settlement nodes as closed, predictable entities ignores the fact that the settlement system is a dynamic, constantly changing milieu reflective of the changing desires, passions, triumphs, and catastrophes of individuals. Uncertainty is disregarded and the future is viewed mistakenly as something to be foretold through predictive equations or prescribed on the basis of rational models alone. If one agrees that the future cannot be discovered, as if it already exists and

79. Frey, supra note 38, ch. 3, at 57 tbl. 6.
80. See, e.g., Walter Isard & Thomas Reiner, Regional and National Economic Planning and Analytic Techniques for Implementation, in REGIONAL ECONOMIC PLANNING 19, 19-38 (Walter Isard ed., 1961) (discussing the dimensions of economic planning at the national, regional, and urban levels, and analytic techniques to aid in planning).
82. Id. at 221-25.
83. See FRIEDRICH A. HAYEK, THE FATAL CONCEIT 71-72 (W.W. Bartley III ed., 1988) ("In the marketplace . . . unintended consequences are paramount: a distribution of resources is effected by an impersonal process in which individuals . . . literally do not and cannot know what will be the net result of their interactions."); FRIEDRICH A. HAYEK, INDIVIDUALISM AND ECONOMIC ORDER 77-91 (1948) (discussing society's use of knowledge that is distributed among individuals).
is waiting to be found, then it can only be created by human action. Thus, it appears that the future rightfully should be created by the many, as market processes will permit, rather than by the few, as urged by those who favor the policy setting role of government and the rule of experts.

No matter how well informed by scholars, nor how well-intentioned are our representatives, their ability to divine our wishes through periodic votes on the bundled promises of political platforms, and to minister to them through on-again, off-again programs, is limited. Centrally managed programs, freighted with non-productive political allocations, are bound to be inferior to market processes which continuously summarize individual choices and announce them publicly through changing prices.

B. Metropolitan Challenges

Many key forces will delineate the challenges for the future of metropolitan America, but the most compelling are demographics, economics, and civil unrest. How we choose to deal with changes brought on by these forces will be crucial to America's cities.

First, the demographic trend of the 1980s, the outflow of inner-city residents to the suburban rings of major metropolitan areas, is likely to continue for the remainder of the 1990s as less expensive housing and less intensive crime exert their influence. New residents will continue to contribute to greater ethnic diversity in these suburban bands if old barriers to entry, such as exclusionary zoning and discriminatory lending, are removed and new ones are not erected. This pattern should shift again in the second decade of the twenty-first century as the impact of enhanced technologies of communications and transportation permit individuals to disperse themselves away from central cities that have failed to restore a civil society and to create and sustain attractive amenity environ-

84. See G.L.S. SHACKLE, EPISTEMICS AND ECONOMICS (1972) ("Tomorrow is figment. Expectation is origination, undetermined for all we know."); James M. Buchanan & Viktor Vanberg, The Market as a Creative Process, 7 ECON. & PHIL. 167, 170 (1991) (comparing the treatment of the future as implied in the present with the idea that nature is creative and unpredictable, and finding the latter view more persuasive).
ments. Individuals' affinity for central places of metropolitan areas may be weakened once the opportunity to seek amenities elsewhere becomes available, be it by escaping to non-urban service centers through regional airports or on interstate highways.

The challenge for those who revile the emergent "edge city" phenomenon and insist on the sanctity of urban form as it has existed in urban planners' textbooks will be to support the entrepreneurial creation of a new "lodestone" of market-driven, consumer-regarding activities to revive the central cities, rather than resorting to an appeal to "social authority" to impose familiar past arrangements on the future.

Second, the American economy, if left uninsulated from global competition and generally free of government direction, will weather episodic Schumpeterian squalls and continue to transform itself by "churning" over old jobs and inventing new ones. The cities of the future must invite change and restructuring, or risk becoming relics. The direction of change is toward increasingly complex, higher-order services characterized as intelligence occupations: finance, investment, real estate, communications, education, and specialized manufacturing tied to global markets.

The challenge for those who would have a city sustain its economic vitality and be able to shift easily from one economic function to another must involve a commitment to change, even if the outcomes of change are unforeseeable, and a willingness to facilitate it. Government underwriting of in situ uncompetitive industries will stall the transformation. The corollary for entrepreneurial managers of firms that would provide new urban vitality is that those individuals whose job talents have been bypassed by global competition should be recognized for the skills they possess rather than for those that are no longer

85. See supra note 77.
86. Joseph Schumpeter, a 20th century economist, viewed capitalism as a process of "creative destruction" characterized by "perennial gale[s]" of economic change. See, e.g., JOSEPH A. SCHUMPETER, CAPITALISM, SOCIALISM AND DEMOCRACY 83–84 (2d ed. 1942).
87. See supra note 32 and accompanying text (describing the Dallas experience).
88. See generally John D. Kasarda, Inner City Poverty and Economic Access, in REDISCOVERING URBAN AMERICA, supra note 29, ch. 4, at 25–27 (describing the transformation of cities and urban areas from "centers of goods processing to centers of information processing").
89. See supra notes 82–84 and accompanying text.
90. See supra note 33.
needed. The time to do that is before the global economy demands it, and the key for preparing individuals for a successful passage to a newly productive life is rooted in education. Such education may be in schools at all levels, particularly proprietary schools, or it may be within firms and government offices.

Third, the inner cities of America's major metropolitan areas are likely to continue a cycle of violence and despair during the remainder of the 1990s unless individuals in these neighborhoods are sufficiently protected to make it evident that their own human capital investment in education and employment can lead to credible outcomes. Without restoring a context of safety to inner cities there is little hope of remedy for persistent poverty.

The recently passed $30 billion-plus federal crime bill\(^9\) addresses a few of the core issues with respect to inner-city safety.\(^9\) Absent a dramatic action, however, such as saturation policing of entire metropolitan areas, using military personnel from overseas bases (and other defense downsizing efforts) to reinforce urban police forces for one to three years, the surface of the problem can only be scratched. Redirecting some of that funding to the concentration of several thousand reinforcement troops in each of the twenty worst-case urban crime centers would permit local police forces to engage in the kind of community and youth efforts currently denied them because their time and effort is directed toward the apprehension of criminals. Such a program could have a definitive impact on criminal activity, provide an infusion of capital through salaries, and with a commitment from community colleges and private firms, permit an adjustment to civilian careers for those leaving military service.

The challenge for those who are accustomed to an appeal to government authority for money to address the issues of the inner cities must be a soul-searching accounting of what past investments have wrought.\(^9\) Hundreds of billions of dollars have been spent on cities over the past three decades since the


92. The Act provides funding for hiring more police officers and building new prisons, increases the number of federal crimes for which the death penalty applies, bans the manufacture, sale and possession of 19 semiautomatic weapons and funds a range of crime prevention programs. David Johnston & Steven A. Holmes, Experts Doubt the Effectiveness of Crime Bill, N.Y. TIMES, Sept. 14, 1994, at A16.

93. For a discussion of the criticisms of federal urban programs from 1948–1980, see Ames et al., supra note 6, at 206–08.
Goals for Americans\textsuperscript{94} report was issued but the challenges are more daunting now than they were then.\textsuperscript{95} Are well-intentioned Americans responsible for current conditions because their support for public programs has contributed to the creation of wards of the state? If there is an inkling that this might be the case, the next demand for more public expenditure and greater span of government control must be evaluated very carefully.

Finally, a soul-searching accounting of past federal investments is a doubly important requirement for the Clinton Administration. Jobs programs must not be simple make-work activities without a consideration of the consequences to the individuals trained and the community in which work is carried out. Retraining must be sufficiently general to permit flexible entry or reentry into the work force, but it also must be specific enough to prepare individuals for identifiable jobs. This is a difficult challenge, one best met by the private sector where experience at matching skills to consumer demand exists.

The challenge for those who are familiar with the executive branch and the majority party in Congress is to utilize the opportunity to behave like statespersons rather than pork wholesalers. The message of the American people in the 1992 presidential election was a null-mandate\textsuperscript{96} that past political allocations are no longer viable and that the return on public investment must be higher than it has been in recent times.

I shall conclude with some speculation about future urban policy by returning to my original question: is there a credible role for a comprehensive national urban policy, or has this become an outmoded envelope to hold a congeries of federal social programs?

Even if the Democratic Party had continued to hold both the executive and legislative branches, the demographic shift to the suburbs means that urban policy may not be a priority for a large number of Americans. Thus, this shift has removed a basic condition required to frame and execute a coherent urban policy in the rational planning sense desired by those who have

\textsuperscript{94} See supra note 11.

\textsuperscript{95} See, e.g., Mr. Clinton’s Promising Speech, supra note 4, at A26 (calling cities “America’s most pressing domestic problem”).

\textsuperscript{96} See George F. Will, A Continental Shrug, WASH. POST, Nov. 5, 1992, at A23 (noting that, with President Clinton receiving just 43% of the popular vote, “[t]he electorate seems to have cast a cold eye on government and politicians and decided that it and they have only limited purchase on only some problems”).
accepted or who are promoting the new *problematique urbaine*. Large voting blocks of Democrats have been reduced in the central cities due to migration to the suburbs, and the mishmash of social policies that remains is unlikely to be repackaged in support for urban areas by the more conservative 104th Congress. Indeed, some unintended effects may undermine legislation primarily focused on urban policies. For example, had it survived, the Clinton health care plan proposed in the Health Security Act of 1993\(^9\) might have caused central city-suburban conflict over mandatory pooling of risk in regional health care alliances, which could cause firms to increasingly avoid and abandon locations surrounded by high risk populations.\(^8\) Unintended effects of federal policies hold the potential to sabotage the aspirations of those who seek the greater span of control associated with metropolitan regional governance and deprive central-city residents of real hope to escape poverty.

**C. Future Urban Policy: What Is Right?**

The rationale for a general national urban policy appears to be dead. Should one wish to describe any of the many policies that impact urban places as urban policy, however, then what is right are those policies that expand individuals' choices by reducing the barriers to interaction between them and by increasing their own personal resources. To achieve the former, outdated regulatory barriers must be eliminated.\(^9\) To achieve the latter there are many possibilities, one of which would be the reduction of the most egregious pork barrel distributions of funds to influential members' districts, which would unfreeze the motors of system-wide metropolitan economic development. Voter support in November 1994 for ballot initiatives and candidates attentive to national movements to limit taxes,  

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98. Cf. id. § 1202 (establishing requirements for states' implementation of alliance areas); id. § 1384 (providing for the designation of premium areas and the application of premiums).
99. See U.S. ADVISORY COMM’N ON REGULATORY BARRIERS TO AFFORDABLE HOUS., U.S. DEPT OF HOUS. AND URBAN DEV., NOT IN MY BACK YARD: REMOVING BARRIERS TO AFFORDABLE HOUSING (1991) (urging federal government to remove or reform regulatory barriers to affordable housing).
require a balanced federal budget, and limit the terms of members heralds a decline in the popular enthusiasm for centralized control by government that is necessary for a national urban policy.

Briefly, I suggest six recommendations for urban policy. Each is aimed at supporting the aspirations of individuals, not urban places.

(1) Continue to reprivatize. The evidence is overwhelming that private sector providers do a better job than government-sponsored programs for less money. First, consider what activities do not require government involvement, and phase out the programs governing those activities. Then, contract out as many of the remainder as possible, offering public-sector employees the same opportunity to bid as private ones. The main challenge for the resultant smaller governments will be effective contract management.

(2) Expand asset management programs, that is, the conversion of publicly-held physical assets like convention centers or coliseums into tax-paying financial assets. Dedicate revenue from the sale of these properties to specific endowed programs, voted on in referenda, rather than dissipating it in general operating expenses.

(3) Where public funding of functions is regarded as necessary, vouchers should be used to introduce competition between providers wherever possible, for example, in schools or in public housing, or for transportation.

(4) Practice isonomy, providing equal protection from crime to all urban inhabitants. Urban inhabitants do not receive protection equivalent to that of non-urban dwellers, as evidenced by continued housing discrimination against minorities and violence-related death rates for inner-city residents.

(5) Appropriate the phrase "National Security Policy" from the defense community to replace "National Urban Policy," in order to symbolize a renewed commitment to the most fundamental and urgent function of government—to provide effective protection for individuals so that they may conduct their personal and private exchanges in peace.

(6) Recognizing that collective action is effective only when it is truly elective, the spirit of volunteerism that Tocqueville observed should be encouraged on behalf of the truly needy.
In conclusion, it is worthwhile to recall Tocqueville's words:

In no country in the world has the principle of association been more successfully used or applied to a greater multitude of objects than in America. Besides the permanent associations which are established by law under the names of townships, cities, and counties, a vast number of others are formed and maintained by the agency of private individuals.100

100. 1 TOCQUEVILLE, supra note 1, at 198.