

long-developing political-economic trends have been moving in this direction for some time.

Corporate taxes, as we have noted, were reduced from 35.4 percent of federal receipts in 1945 to 7.4 percent in 2003. Taxation of individuals in top brackets has also been reduced over the span of the last several decades—from 91 percent in the Eisenhower, Kennedy, and early Johnson eras to 35 percent today. And long before the Bush-era reductions (and proposed reductions), domestic discretionary spending by the federal government had moved down—from 4.7 percent of GDP a quarter-century ago to 3.6 percent now, a drop during this period alone of roughly 25 percent.<sup>4</sup>

An even greater fiscal squeeze is likely as time goes on. Critically, spending on Social Security benefits and Medicare will continue to rise as the baby-boom generation retires. So will spending on Medicaid. Recent studies project these three programs alone may ultimately consume a larger share of GDP than *all* of the money the federal government collects in taxes.<sup>5</sup>

A radically new context thus is being shaped that is forcing—and will continue to force—very difficult choices. Either there will be no solution to many problems, or something new will have to be tried. The growing fiscal pressures—intersecting now with growing global uncertainties—are, in fact, producing a political-economic environment in which alternatives of the kind we have reviewed may well become the only feasible way forward in many areas.

Although it is impossible to predict the degree and extent of potential expansion, a developmental perspective on past, present, and possible future stages of institutional and political change suggests that we are approaching a point in time when once controversial and seemingly novel strategies based on Pluralist Commonwealth principles are likely to become matter-of-fact and commonplace in everyday life.<sup>6</sup>

As we shall see, the question of interest is how this development, in turn, might contribute to further, much larger order change as the demanding terms of reference for twenty-first-century political-economic change continue to evolve.

## PART III

# LOCAL DEMOCRACY AND REGIONAL DECENTRALIZATION

QUITE APART FROM CHANGES in wealth ownership, the Pluralist Commonwealth vision rests firmly on the principle (following Alexis de Tocqueville, John Stuart Mill, and several modern writers) that over the long haul rebuilding local democracy with a small d, from the bottom up, is a necessary though obviously not sufficient requirement of renewing the basis of meaningful Democracy with a big D in the political-economic system as a whole.

At one level, this means nurturing the conditions in which networks of civil society associations can flourish. At another, it requires strategic changes that foster opportunities for more meaningful participation in local governmental decision making. Both, in turn, require more stable and robust local community economies.

The conventional wisdom is that the era of globalization makes such community priorities—especially local economic stability—all but impossible to achieve. The reality, however, is that sectoral changes and a broad range of economic, social, and psychological factors have begun to converge

toward a resurgent community-building paradigm that complements the evolving wealth-oriented developmental trajectory. In addition, further opportunities for support appear likely to develop in connection with problems confronting specific groups concerned with environmental issues, on the one hand, and gender-related matters, on the other.

At quite another level of emerging change, a variety of domestic and global forces have begun to set the terms of reference for extensive forms of decentralization that have important implications for longer-term Pluralist Commonwealth regional ideas.

## Is Local Democracy Possible in the Global Era?

**M**UST COMMUNITIES—AND therefore community democracy—rise and fall with every shift in the global economic winds? Can Americans ever really take charge of their common community life, given the realities of the modern political economy?<sup>1</sup>

Beyond this, might we have the wherewithal—the experience, knowledge, political sophistication—to one day achieve the idea of community?

Historical perspective provides insight into a critical economic trend which suggests that the economic stability required for a new community-based democratic vision is likely to become increasingly feasible in the coming period.

Fully 31 percent of the nation's nonfarm workforce were involved in manufacturing at the midpoint of the twentieth century, in 1950. By 1970 such employment had slipped to 25 percent. By 1990 it was 16 percent. As of 2003 those working in the manufacturing sector numbered only 11 percent of the labor force—and this figure is projected to decline to approximately 9 percent by 2045. Some experts expect that a mere 5 to 7 percent of the economy will be involved in manufacturing long before that time.<sup>2</sup>

The U.S. economy has for many years been dominated by services—a sector that is far more locally oriented and much more stable than manufacturing. Importantly, many service-sector industries are also much less dependent upon—and responsive to the vagaries and instabilities of—

global trade. Only approximately 5 to 7 percent of U.S. services are exported.<sup>3</sup>

Despite other problems associated with the larger trends, that more stable, locally oriented economic development is increasingly favored by sectoral changes even in an era of increasing globalization is documented in recent studies of the already high degree of localization of economic activity. "About 60 percent of U.S. economic activity is local and provides residents with the goods and services that make their lives comfortable," observes economist Thomas Michael Power. "This includes retail activities; personal, repair, medical, educational, and professional services; construction; public utilities; local transportation; financial institutions; real estate; and government services. Thus almost all local economies are dominated by residents taking in each other's wash."<sup>4</sup>

Power reports that locally oriented economic activity increased from 42 percent in 1940 to 52 percent in 1980. Over the roughly two-decade period between 1969 and 1992 "the aggregates of retail and wholesale sales, services, financial and real estate, and state and local government" have been making up "a larger and larger percentage of total earnings, rising from 52 to 60 percent."<sup>5</sup>

Paul Krugman offers a summary judgment: "Although we talk a lot these days about globalization, about a world grown small, when you look at the economies of modern cities what you see is a process of localization: A steadily rising share of the work force produces services that are sold only within that same metropolitan area."<sup>6</sup>

The long-term sectoral trends also have reduced the importance of location-related efficiency considerations that conflict with policies aimed at greater community stability. Opponents of policies designed to help local community economies have traditionally held that firms must be allowed to locate wherever managers think best. Many such arguments, however, are implicitly based on the assumption of a

manufacturing-dominated economy—that is, one in which economic activity historically had to locate near raw material sources and transportation hubs, starting with water and evolving to rail and air.

Some service industries (e.g., international banking) require networks of related businesses, but most are not nearly as wedded to places that happen to provide access to natural resources or to cheap transportation. In addition, advances in communication technologies have made it economic for firms to locate in a number of different areas.

Community-oriented strategies throughout the nation now regularly build upon these realities to achieve greater stability. Some stress bottom-up development utilizing conventional tax, loan, procurement, and other strategies. Others emphasize measures that enhance the local community's physical and social environment so as to attract professionals and others looking for a supportive community in which to live and raise children. Successfully attracting new arrivals, in turn, stimulates new services, construction, and other economic activity. Attracting retirees and their pension income flows can also help bolster community stabilization efforts—a factor of increasing importance as the baby-boom generation reaches retirement age.<sup>7</sup>

In recent years numerous other policies have been developed to retain jobs, build greater local self-reliance, and increase local economic "multipliers" so that money spent in a community recirculates to produce additional jobs. In addition to tax, loan, training, and other traditional approaches:

- State governments now regularly target public procurement to boost local economies. Community-based small businesses, for instance, can receive a 5 percent preference on bids for state contracts in California, New Mexico, and Alaska. Louisiana allows a 7 percent preference for products "produced, manufactured, grown, harvested, or assembled" in the state.<sup>8</sup>

- Many cities increasingly use public contracts to help neighborhood-anchored Community Development Corporations—and to simultaneously improve the delivery of government services (roughly half the municipalities in a recent survey).<sup>9</sup>
- Publicly sponsored “buy local” programs are also widespread. The Rural Local Markets Demonstration in central North Carolina identifies products, services, parts, and raw materials that manufacturers would like to purchase locally—and then assists other local firms with the development of such products and/or helps establish new local firms to fill the supply gap.<sup>10</sup>
- Pension funds now also regularly seek ways to enhance local economic health. More than half the states have established Economically Targeted Investment programs to target investment to help communities. Several independent labor-backed programs—for example, the Landmark Growth Capital Fund and the Pittsburgh Regional Heartland Fund—also involve geographically targeted investments.<sup>11</sup>

As we have noted, an obvious line of convergence has also emerged between stabilization strategies and many new institutional efforts. Precisely because worker-owned firms, community development corporations, co-ops, municipal enterprises, and related efforts are increasingly regarded as important to achieving broader community economic goals, they have received additional backing from many states and localities (see Chapters 7, 8, and 9).

Research on the costs of “throwing away cities” has added to the economic arguments that favor new localist strategies. Allowing existing public and private investments in transportation, office buildings, schools, homes, and other local infrastructure to go to waste when companies leave town for small (possible) private advantage—and then having to rebuild them elsewhere—obviously creates very large expenses that, if saved, can significantly offset the costs of community-oriented policies.

One recent estimate is that taxpayers spent roughly \$65 billion (2001 dollars) to pay for the infrastructure and other capital costs needed to serve individuals who moved out of declining cities to other locations over the 1980 to 1999 period. Work by University of Maryland researcher Tom Rickett suggests that adding private costs (e.g., redundant houses, stores, factories, etc.) brings the figure to over \$350 billion—not including lost tax revenues and increased social spending borne by specific communities when jobs decline and citizens leave town.<sup>12</sup>

At the national level, both political parties have also shown themselves responsive to the practical and philosophical elements of a community-building paradigm—and to the concerns of local constituents. Among the many federal policies and precedents that now exist (and that suggest possible directions for future development) are:

- The strategic targeting, currently, of public contracts by federal agencies to small businesses in “HUBZones” (Historically Underutilized Business Zones)—that is, areas that have a high proportion of low-income households or those experiencing high unemployment.<sup>13</sup>
- Trade Adjustment Assistance to communities experiencing dislocation as a result of imports. Workers receiving TAA are eligible for an additional fifty-two weeks of income assistance (beyond the standard twenty-six weeks unemployment insurance) and for a variety of training and other programs.<sup>14</sup>
- The Community Adjustment and Investment Program, which uses funding from the North American Development Bank to make loans and grants to specific economically depressed communities.<sup>15</sup>
- Community Development Block Grants, which in fiscal year 2004 will provide \$4.4 billion in support to various locally selected, largely community-based efforts.<sup>16</sup>

- The Empowerment Zone/Enterprise community programs, which, as of this writing, are expected to involve over \$1 billion in public subsidies in 2004.<sup>17</sup>
- The previously cited New Markets Initiative, passed as part of the Community Renewal Tax Relief Act of 2000, which will make several billion dollars of federal tax credits available in the next six years. The credit (30 percent of funds invested) is available to specially certified entities that make investments in low-income communities.<sup>18</sup>

Unusual and often unexpected political alliances have developed around more controversial issues of importance to community stability—including the left-right coalition that blocked several “free trade” initiatives. After the passage of NAFTA in 1993, Congress refused Clinton administration requests to reestablish expired “fast-track” authority, which facilitates presidential trade negotiations. Again, fast-track legislation proposed by the Clinton administration in 1997 was withdrawn when it became clear that it faced substantial opposition in both parties, and as concern about the proposed Multilateral Agreement on Investment began to develop force.<sup>19</sup>

Although the Bush administration won approval of such authority (calling it “Trade Promotion Authority”) in 2002, it did so only after yielding several major points of contention—especially those that impacted local communities. Among other things, Republicans from textile-producing states (in particular, North Carolina) secured language requiring that duty-free textile imports from the Caribbean, Africa, or Latin America be made with fabrics dyed and finished in the United States.<sup>20</sup>

The Bush administration also yielded much of the substance of the issue in connection with support for agricultural subsidies and protectionist measures for the steel industry—in large measure because of the economic threat to communities in Ohio and Pennsylvania. Given ongoing unemployment problems and the growing pressure from both left and right, the likelihood is for more rather than less

support for trade measures of importance to specific communities in the future.\*<sup>21</sup>

In connection with virtually every policy advance—local, state, and federal—there has been conflict, interest-group bargaining, and debate concerning effectiveness and efficiency. Viewed in a larger historical perspective, what is significant is the long-term trend. Detailed scholarly studies of numerous specific policies confirm the expanding use and refinement of a variety of new tools aimed in one way or another at community economic stability. “Sometime after the mid-1970s,” observes urban policy expert Peter K. Eisinger, especially on the state and local level there emerged “an intense preoccupation with economic development that has been marked by a level of consensus and expectation unusual in American politics.”<sup>22</sup>

The growing force and political appeal of locally oriented strategies is also evident in organizing efforts by engaged citizens. Although many studies show a decline in *national* citizen participation, the United States in fact is in the midst of an extraordinary resurgence of *local* community-building efforts. A recent comprehensive survey by professors Carmen Sirianni and Lewis Friedland confirms the findings of many scholars, and concludes that Americans at the local level “have created forms of civic practice that are far more sophisticated in grappling with complex public problems

\* In addition, the Bush administration agreed to extend Trade Adjustment Assistance support to workers in firms supplying businesses disrupted by trade, to add six months to coverage, and to pay 65 percent of transitional health insurance for workers who lose jobs due to trade. A sign of related, growing concern: as of this writing, at least twenty-eight states were considering legislation to limit the “outsourcing” of jobs (see ALLCE, [www.highroadnow.org](http://www.highroadnow.org)). In a highly unusual reversal the Bush administration rescinded the steel tariffs in December 2003 for complex reasons that included anger at high prices in Michigan and other politically important steel-using states, growing foreign (particularly Chinese) demand, and threats of retaliation by the European Union. Mike Allen, “President to Drop Tariffs on Steel, Bush Seeks to Avoid a Trade War and Its Political Fallout,” *Washington Post*, December 1, 2003, p. A1.



and collaborating with highly diversified social actors than have ever existed in American history."<sup>23</sup>

The long-standing largely black BUILD alliance in Baltimore, for instance, challenges local insurance and home mortgage redlining, builds and rehabilitates homes, raises money for student scholarships, and—importantly—registers thousands of voters.<sup>24</sup> Since 1976 Citizens for Community Improvement in Iowa has spearheaded opposition to corporate concentration in state agriculture, helped create financing for small farms and low-income rural and urban housing, and fought for enforcement of environmental air and water regulations. A youth organizing project works on projects ranging from gun violence and crime education to drug addiction.<sup>25</sup>

In San Antonio, COPS—Communities Organized for Public Service—combines research and planning with public mobilizations of Hispanic American voters and other low-income groups. In the last several decades COPS campaigns have produced funds for libraries, playgrounds, schools, street paving, sewers, flood protection, and other infrastructure improvements. COPS has also forced support for health clinics, state funding of a community college, and federal backing for affordable housing programs from the Department of Housing and Urban Development. Taken together, COPS's organizing efforts have secured an estimated \$1 billion for neighborhood development from these and other sources.<sup>26</sup>

New forms of local labor-community alliances have broken down traditional barriers between organizations in several cities. In Chicago the Association of Community Organizations for Reform Now (ACORN) and the Illinois Coalition for Immigrant and Refugee Rights jointly lead a Grassroots Collaborative of community and labor groups working on living wage and health care campaigns. In Oakland, California, the Labor Immigrant Organizers Network (LION) helped the hotel employees' union, HERE Local 2850, successfully challenge corporate efforts to prevent union organizing. In turn, the union supported LION's efforts to organize local residents around immigration issues.<sup>27</sup>

In many cities—from Boston and Baltimore to St. Louis and Los Angeles—"living wage" campaigns have succeeded in requiring public agencies and their contractors to pay a wage that allows employees to support themselves and their families, commonly \$9 to \$10 per hour, plus health benefits. Cincinnati established a floor of \$8.70 per hour with health benefits (\$10.20 an hour without benefits) for all city employees or any business with a city contract over \$20,000. New York's law requires a wage of \$9.10 an hour plus benefits (or \$10.60 an hour without benefits) for about fifty thousand workers.<sup>28</sup>

Several related initiatives have achieved formal structures of greater democratic participation within larger municipalities. In Portland, Oregon, each of ninety largely autonomous neighborhood associations drafts its own plans detailing the form of development that is acceptable to its neighborhood. The city of St. Paul, Minnesota, has seventeen elected District Councils, each of which has considerable authority—including zoning powers and control over the allocation of certain city services and capital expenditures.<sup>29</sup>

In Seattle, a Neighborhood Matching Fund allocates public funds for neighborhood-initiated projects when local residents match such support with their own contributions. Neighborhood District Councils made up of representatives of neighborhood organizations make specific recommendations for project funding. In Birmingham, Alabama, each of the city's ninety-five neighborhood associations makes decisions about how public funds will be spent—with each also receiving an allocation of federal Community Development Block Grant funds.<sup>30</sup>

Political scientists Jeffery Berry, Kent Portney, and Ken Thompson—who have studied St. Paul, Birmingham, Portland, and Dayton, Ohio, in depth—conclude that such efforts alter the balance of power between businesses and neighborhoods. Although "general" participation does not increase because of formal changes of structure, there is an increase in

"strong participation activities"—for example, "being involved in neighborhood or issue groups, contacting such groups," or "working with others to solve problems" (as opposed, for instance, to merely "working in social or service groups or contacting government officials"). A telling outcome is that it is commonly all but impossible for developers to win approval of projects that are strongly opposed by a neighborhood association—even when the association does not have formal power to reject proposals. In general, Berry, Portney, and Thompson observe: "Neighborhood-based government draws easily on people's sense of identity with the area they live in. People know they are going to have frequent interactions with their neighbors, so even if they attend meetings infrequently they have a powerful incentive to think about long-term relationships in addition to the policy questions at hand."<sup>31</sup>

None of this is to say that a new day of participatory democracy has arrived. In most cities power still largely resides in the hands of traditional economic interests. In some cases, too, civil society organizations have lost credibility and are deeply compromised politically. It is to say, however, that there is growing evidence of change and of new longer-term possibilities. In many communities the developing trend of activist organizing and local policy change has followed a logic similar to that which has forced a reassessment in connection with a number of other matters of strategic importance.

An inability to achieve solutions to growing problems through traditional means has repeatedly driven home a painful reality. In case after case, the choice presented has been between no solution, and the ultimately critical decision to begin the arduous long-term process of rebuilding, step by step—at home, within reach, from the bottom up.

Over the last several decades, community-building themes and paradigms related to the Pluralist Commonwealth vision have also attracted increasing interest and important support from writers, academics, and activists representing different philosophical perspectives. We have noted the emphasis given

such ideas by progressives ranging from Hannah Arendt and Jane Jacobs to Benjamin Barber and Michael Sandel. Along with many modern conservatives, William Schambra of the Bradley Foundation holds that "conservatism wasted much of [the twentieth] century futilely extolling the virtues of rugged individualism and the untrammelled marketplace in the face of America's manifest yearning for some form of community."<sup>32</sup>

Similarly, communitarian theorist Amitai Etzioni echoes the oft-heard judgment that the "most common antidotes to mass society" are "intermediary bodies"—but Etzioni quickly goes on to stress, "It is often overlooked . . . that many of these bodies are not the vaunted voluntary associations, with their meager bonding power . . . but communities, with their much stronger interpersonal attachments."<sup>33</sup>

Environmentalists Herman Daly, Thomas Prugh, and Robert Costanza begin with a different question but come to a similar conclusion: "[M]ost of the individual behaviors and attitudes that support sustainability are best nurtured at the community level. The political structure and process necessary for a regionally, nationally, and globally sustainable society must be built on a foundation of local communities."<sup>34</sup>

Black scholars on both the right and the left now commonly also emphasize community-based themes. Thus, the conservative activist and writer Robert Woodson stresses, "The lives of young people cannot be salvaged through outside intervention that ignores the necessity of strengthening their communities." The progressive urban affairs and planning expert Sigmund C. Shipp emphasizes the importance of cooperative community-wide development: "The depth of the dilemmas that black communities face requires strategies that focus on the entire group and the total problem, that is, the collection of factors that constitute the quality of life of a community."<sup>35</sup>

Harry Boyte adds that such themes help reenergize a sense of commitment to "public work" in general.<sup>36</sup> And Betty Friedan, speaking for many feminists, writes, "I've spent 25 to 30 years focusing on women's issues. . . . I see no solutions in terms of power blocks. What is needed is a new

vision of community, a higher vision of the good of a whole community that transcends polarization of groups. Groups have been effective in the past in achieving equality. Now we're in a position where the only way progress can continue is through a new definition of community."<sup>37</sup>

Many analysts believe the growing interest at various levels in rebuilding the foundations of community is ultimately traceable to the psychological dead end that individualism has reached for large numbers of Americans, and from a profound—and ongoing—personal reassessment process: "[M]any of those we talked to," sociologist Robert Bellah observes, "realize that though the processes of separation and individuation were necessary to free us from the tyrannical structures of the past, they must be balanced by a renewal of commitment and community if they are not to end in self-destruction."<sup>38</sup>

Research by University of Chicago sociologist Robert K. Sampson offers a summary overview. Sampson finds that "calls for a return to community values" now appear "everywhere"—especially (and, he urges, significantly) among the parents of the new generation: "Whatever the source, there has emerged a widespread idea that something has been lost in American society and that a return to community is in order. . . . Seeking an alternative to mainstream institutions such as old-line churches, urban sprawl, and market-induced conspicuous consumption, the baby boom is driving unforeseen demand for the good that is deemed community."<sup>39</sup>

The point is particularly important among those who will inevitably take over leadership of the nation—and of its communities—in coming decades. A recent survey found that two-thirds of young adults currently already do volunteer work in their own cities—and that a majority agree with the slogan "Think Globally, Act Locally." Two-thirds believe "the best way to make a difference is to get involved in your local community, because that's where you can best solve the problems that are really affecting people."<sup>40</sup>

## Community, the Environment, and the "Nonsexist City"

AMERICANS CONCERNED WITH the environment, on the one hand, and gender-related issues, on the other, are also slowly coming to realize they now face systemically rooted challenges that are fundamentally different from those they once thought might easily be overcome. One clear requirement of a longer-run solution for both directly intersects with, and is likely to bolster, the strategic logic of the economically stable communities of the Pluralist Commonwealth vision.

Despite more than thirty years of modern achievement, the fact is many of the most important environmental trends—always allowing for exceptions that prove the rule—continue to move in a negative direction. We may distinguish between three quite different types of progress with regard to the environment.

First are what may be termed "Type A" gains—absolute breakthroughs in connection with discrete problems—like the near total elimination of DDT and lead. These are important but limited in number and in overall impact. Second, "Type B," are a range of policies, programs, and regulatory efforts that serve to "do something about" a major environmental problem; but often their positive effect, like the effect of many efforts to deal with inequality, is insufficient to reverse (as opposed to slow down) a major trend. Thus, without various national and international strategies to curb global warming, things would clearly be worse—but



*the destructive negative trends continue nonetheless.* Again, the rate at which wetlands have been lost has slowed—yet net losses in the 1990s continued at over fifty thousand acres a year. Gains have been made in average passenger car fuel mileage, but these have been overwhelmed by a rise in the numbers of cars, a shift to less efficient light trucks and SUVs, and a doubling of miles driven since 1970.<sup>1</sup>

Third are “Type C” achievements that actually reverse the direction of destructive long-term environmental trends—including those involving certain components of air and water pollution, and the cleanup of Lake Erie. Reductions in U.S. emissions of volatile organic compounds, sulfur dioxide, and carbon monoxide since 1970, for instance, range between 15 and 40 percent.<sup>2</sup>

The reality is that, despite several significant “Type A” breakthroughs and a very few important “Type C” trend reversals, most environmental gains have been in the “Type B” category. They have done useful things, but the positive achievements have not been adequate to reverse long-term negative trends. A recent study of quarter-century patterns by the National Center for Economic and Security Alternatives demonstrates a general worsening of ecological outcomes in twenty-one key environmental factors. (Exceptions are certain aspects of air and water pollution.) Similarly, research covering the 1970 to 2000 period by Redefining Progress found improvement in air pollution, but negative trends in overall water pollution, noise pollution, loss of wetlands, loss of farmlands, depletion of nonrenewable resources, and ozone depletion. (The estimated magnitude of the worsening trends was roughly thirty-five times the improvement in positive trends.)<sup>3</sup>

Such declines do not, of course, include the impact of many recent policy changes by the Bush administration that are likely to have a negative impact on the environment. Among others, these include abandoning the Kyoto treaty on climate change; allowing the expansion of older, dirtier power plants; loosening rules on mining wastes; weakening rules that protect wetlands; and seeking decreased public review of a range of activities, from offshore drilling to highway construction.<sup>4</sup>

The bottom line on many, many fronts is that the battle for ecological sustainability is being lost—despite positive “activity.” The late Donella Meadows put the situation succinctly in the title of one of her last essays: “Things Getting Worse at a Slower Rate.”<sup>5</sup>

Environmentalists continue to organize in support of various regulations, and to express anger at major corporate and other polluters. However, the fundamental issue, like that which is increasingly obvious in other areas—is that many traditional strategies seem increasingly unable to achieve important defined goals. Yes, certain gains can be made, but unless some major shift occurs, the likelihood is that, no, many critical negative trends will not be reversed.

The development of a systematic capacity to achieve greater community economic stability, together with other features of Pluralist Commonwealth democratic reconstruction, offers a logically coherent strategic approach to moving beyond the impasse suggested by this reality (and accordingly, too, ultimately the possibility of additional political support for the policies and institutional changes it requires).

\* A study of long-term trends by a consortium of several of the world's top environmental research groups also found that “conventional wastes, emissions, and discharges” in the United States rose from 5.3 billion metric tons in 1975 to 6.8 billion metric tons in 1996. The report noted that outputs of “some hazardous materials have been regulated and successfully reduced or stabilized,” but “many potentially haz-

ardous flows in the United States increased by 25 to 100 percent.” Emily Matthews, *The Weight of Nations: Material Outflows from Industrial Economies* (Washington, D.C.: World Resources Institute, 2000), pp. xi, 109. See Chapter 18 in this book for a discussion of additional trends and issues related to resource consumption and long-term sustainability. For a critical assessment of claims by Björn Lomborg and others that environmental gains have been much greater, see (among many sources): World Resources Institute, [www.wri.org/press/mk\\_lomborg.html](http://www.wri.org/press/mk_lomborg.html) (accessed 12/16/02).

A basic reason environmental pollution is often difficult to deal with at the local level is that citizens and political leaders alike fear the loss of jobs that a challenge to corporate polluters might produce. The citizens of Pigeon River, Tennessee, for instance, chose to risk potentially carcinogenic emissions by North Carolina's Champion International paper mill because of fear they might otherwise lose a thousand jobs. A fifty-one-year-old worker who, despite the danger, supported keeping the plant open spoke for many: "What do you do when you're my age and faced with the prospect of being thrown out on the street?"<sup>6</sup>

For similar reasons, as the Nobel laureate economist Kenneth Arrow and others have observed, low-income nations typically have higher proportions of dangerous polluting industries. Conversely, several studies have found that economically successful states and localities have stronger and/or more effective environmental regulations.<sup>7</sup>

Strategies that bolster local economic stability offer a response to a common and critical dilemma: if community stability can be achieved through policies like those discussed in Chapter 12, then the fear of loss that a challenge to pollution may entail can be reduced—even, in principle, eliminated. Undercutting this source of strategic environmental weakness is thus a fundamental, not superficial, long-term requirement of significant change.

An additional foundational factor involves the inherent "embeddedness" of many new local economic institutions. Most of the growing numbers of worker-owned firms, non-profits-in-business, municipal enterprises, community-owned corporations, and the like that we have reviewed are enmeshed in, and deeply tied to, the community. Not only is it difficult for such entities to leave when challenged by local environmental regulation, but they are institutions with a stake in maintaining the general support of the community of which they are a part. Further, the people involved are themselves members of the community. All three reasons serve to increase the responsiveness of such enterprises to local environmental concerns.

Several firms in which workers have significant ownership are also on the cutting edge of specific environmental sustainability efforts: Cranston Print Works in Rhode Island has regularly won awards for reducing its use of toxic materials; Herman Miller, Inc., has been recognized by the National Wildlife Federation and the state of California for outstanding reductions in material waste; Kolbe and Kolbe has dramatically reduced its hazardous waste output as a result of suggestions by employee-owners.<sup>8</sup>

Environmentally oriented "civil society" associational development is also related to community economic stability. Local activism has produced a rich and broad grassroots tradition of environmental problem-solving—of efforts devoted to recycling, to encouraging community-supported agriculture, to challenging local pollution dangers, to organizing new forms of community transportation planning, to developing solar and other renewable energy projects, and the like. Instability obviously weakens all forms of civil society network-building. On the other hand, strategies that help achieve local stability produce a more supportive context for civil society associations in general—and for citizen organizations concerned with the environment in particular.

The longer-term involved citizen trend has also given rise to what is termed "civic environmentalism." Traditional regulatory methods have been applied to only a limited group of environmental problems—mainly those amenable to relatively easy compliance monitoring. The Clean Water Act, for instance, has focused largely on limiting concentrated dumping, but it has done far less to regulate the more difficult problem of "nonpoint source" pollution—that is, releases from widely dispersed locations. In contrast, flexible environmental agreements have been achieved in several areas by organized citizen groups that have negotiated directly with corporations in connection with such matters as habitat preservation, forestry, toxic release control, and green space preservation. Although there have been questionable compromises in some

settings, the most interesting "civic environmental" experiments now provide sustained, rather than sporadic, citizen input into local corporate decision making.<sup>9</sup>

Beyond any particular project or strategy, what is ultimately at stake at the community level is the transformation over time of local culture in the direction of greater ecological consciousness—and this in turn is important for reasons that extend beyond the locality. Research by Giovanna Di Chiro and others has shown how the agendas of grassroots groups commonly evolve from defending a localized "place" orientation to supporting broader, more universal concepts of environmental justice. Similarly, Raymond DeYoung, Stefan Vogel, Stephen Kaplan, and others have demonstrated the diverse ways that direct local participation builds stronger environmentally oriented attitudes in general. The resulting changes in consciousness—and in "acceptable" standards and norms of environmental management—are critical, in turn, to establishing support for larger, longer-term national and regional policy change.<sup>10</sup>

We are back by another route to the Tocqueville-Mill axiom that direct local community experience is formative and essential—and to the question of whether local political and especially economic conditions provide a supportive context for such experience.

Sociologist Ronald Inglehart and others have traced the dramatic evolution of greater environmental consciousness at the national level throughout the Western world over the last four decades. Systematic support for the economic conditions that nurture the local sources of environmental norms may be understood as a way to add to and accelerate the longer-term developmental process—and thus also for consciously working to bolster the underlying society-wide cultural changes ultimately required for a renewal of support for environmentally important policies.<sup>11</sup>

Although the logic of such considerations—and the importance of local economic stability—is increasingly understood

by many concerned with environmental matters, a key question is whether (when?) significant numbers might begin to confront the need to embrace a broader political-economic agenda aimed not only at immediate environmental threats, but explicitly at establishing the necessary foundations for longer-range change. Clearly, this is not a simple task; a great deal of energy is (and must be) absorbed in important day-to-day battles.

If the experience of other groups is any guide, however, the logic of failure here, too, may ultimately force a rethinking process, and perhaps one day may also help catalyze significant political alliances with others concerned with related political and economic matters—and with community economic stability in particular. Changes in the way sprawl issues have been conceived and addressed in recent years, in fact, already offer an example of how a greatly expanded environmental political agenda—and unexpected new alliances—can develop as the situational logic facing diverse groups forces them to confront new issues over time.

The American Farmland Trust calculates that almost a million acres of farm and open land are lost to sprawl each year. Chicago's expansion is illustrative: its metropolitan population grew only 4 percent between 1970 and 1990, but its urban land area increased 35 percent. In the same period Pittsburgh's population declined 9 percent, but its urban area continued to grow by 30 percent (180 square miles). Outward land expansion has, in fact, outpaced population growth in 94 percent of U.S. metropolitan areas in recent years.<sup>12</sup>

A particularly worrisome longer-range consequence of sprawl is the loss of biological diversity due to habitat destruction, especially wetlands. Water runoff problems are also exacerbated. In highly developed areas (with many buildings, parking lots, roads, etc.), the natural absorption of rainwater is greatly reduced, encouraging greater soil erosion, increased water pollution, and lower water tables. Again, sprawl increases reliance on the automobile—a primary source of air pollution and greenhouse emissions. A

recent HUD study estimates that suburban families drive 30 percent more than city residents.<sup>13</sup>

Many of the outward-moving pressures that contribute to sprawl are derivative—in significant part the result of an absence of systematic job creation and economic development in central cities. Myron Orfield's study of the Washington, D.C., metropolitan area, for instance, found that "social decline and local fiscal stress 'push' people and businesses out of older declining communities," creating pressures on middle-class areas. Bruce Katz of the Brookings Institution puts it this way: the "flip side of the rise in concentrated urban poverty is the surge in suburban and exurban sprawl."<sup>14</sup>

Mass transit can help reduce commuting, but ultimately the provision of stable jobs near homes and schools—not only in the central city but in suburban communities as well—is the only way to undercut the forces producing the waste of ever greater expansion, commuting, and ever lower densities. For many years environmentalists mainly stressed policies to constrain the external sprawling thrust of metropolitan growth. During the last two decades, however, a number of groups have come to realize that it is important to deal with the deeper driving forces as well. Many have added community economic strategies to their once narrowly "environmental" agendas—and at the same time have formed new and previously unexpected alliances.

Maryland's Smart Growth & Neighborhood Conservation Initiative, for instance, is attempting both to limit sprawl and to develop communities ("conserving neighborhoods"). State infrastructure funding has been explicitly restricted to "designated growth areas," and efforts are under way to support brownfield redevelopment. Miami's Eastward Ho! Brownfields Partnership is a collaboration of government agencies, community organizations, and private groups working to redirect development in southeast Florida. A key strategy here involves "infill" development to revitalize Miami's urban core and other coastal communities. An explicit goal is to thereby reduce development pressures on the Everglades to the west.<sup>15</sup>

The sprawl issue offers a further lesson in political possibilities—and how change can occur even in times of long-term frustration and seeming stalemate. In the fall of 1998, suddenly and unexpectedly, more than 70 percent of 240 state and local antisprawl ballot measures were approved by voters around the nation. The 240 proposals were more than double the number reported just two years earlier in a similar survey. Taxpayers set aside a combined total of \$7.5 billion to purchase land or development rights for preservation. In addition, they enacted numerous limits on suburban expansion.<sup>16</sup>

Both sides of the aisle got involved. Then Republican governor Christine Todd Whitham of New Jersey offered a plan to invest \$1 billion to protect half the state's remaining 2 million acres of undeveloped land. Forty-three cities and six counties approved tax increases to finance the proposal. The liberal Democratic governor of Maryland, Parris Glendening, won passage of several antisprawl proposals—including the Smart Growth Areas Act, which "restricts state funding for road and sewer projects to those in older communities and areas already slated for growth."<sup>17</sup>

Two years later, in 2000, voters approved just under 80 percent of a record 257 similar measures on the ballot—something that would have seemed all but impossible even to the most optimistic in the politically difficult years only a short time before.<sup>18</sup>

"The most striking aspects of modern U.S. city spatial structure," University of Minnesota professor Ann Markusen points out, "are the significant spatial segregation of residence from the capitalist workplace, the increasing low-density settlement, and the predominant single-family form of residential housing. . . . [The] current forms . . . reinforce women's roles as household workers and as members of the secondary labor force."<sup>19</sup>

Many of the most commonly discussed issues of concern to American women can be traced to discriminatory attitudes and high levels of income inequality. (See Chapter 17

for further discussion.) In recent years, however, it has also become clear that critical matters of community economic stability, jobs, and land use planning must be addressed if fundamental goals of male-female equality are ever to be realized. The longer-term trajectory of learning and change here, too, points in the direction of the community-building Pluralist Commonwealth paradigm—and again, opens questions of how (whether) over time those concerned with gender issues might also begin to orient their efforts to foundational political-economic issues and principles, and to the alliances these suggest.

Markusen and others now forcefully argue that the spatial organization of the city must be addressed directly. What is needed (in Betty Friedan's formulation) is a "new kind of space for living that would be more human and less impersonal . . . and not so separated from the workplace, not so isolated as the suburbs." Friedan concludes: "We have to take new control . . . with not only new sharing of roles by women and men, but physical, spatial design of new kinds of housing and neighborhoods." The question for the future, Yale's Dolores Hayden declares, is, "What Would a Non-Sexist City Be Like?"<sup>20</sup>

One obvious requirement is a form of community planning and land use that brings men, women, and children into closer proximity throughout the workday. This is not simply a matter of reducing the commute to work and improving community ties; a change in proximity is also necessary if more meaningful shared male-female child-rearing is ever to be achieved. If one or both parents must leave home early in the morning to get to work "downtown"—and return late in the day—the possibility of rearranging roles and tasks is limited, to say the least (see pp. 208–213).

Even a preliminary approach to such planning, however, requires a systematic capacity to target stable jobs to both urban and suburban communities in a manner that brings home and work closer together. Although the logic of a gender-related form of community planning, which takes gender issues

seriously, has become increasingly obvious—and, too, its relationship to the key policy elements of a general approach to achieving community economic stability clear—very few feminists have as yet embraced a *foundational* political-economic agenda that systematically addresses the underlying issues.

Partial movement in the direction of a new approach has, however, begun to emerge from a different quarter. City planners concerned with "New Urbanist" themes have begun to develop "village" groupings that attempt to bring work, home, school, and various community facilities closer together. Often such regrouping strategies are linked to new mass transit access points in so-called transit-oriented development designed to reduce automobile use. The issue goes well beyond city planning per se, and even beyond matters of gender equality. Ultimately, it involves questions of civic life and democratic participation, which are central to the Pluralist Commonwealth vision. New Urbanist leader Peter Calthorpe is devastating in his critique:

Today the public world is shrunken and fractured. Parks, schools, libraries, post offices, town halls, and civic centers are dispersed, underutilized, and underfunded. Yet these civic elements determine the quality of our shared world and express the value we assign to community. The traditional Commons, which once centered our communities with convivial gathering and meeting places, is increasingly displaced by an exaggerated private domain: shopping malls, private clubs, and gated communities. Our basic public space, the street, is given over to the car and its accommodation, while our private world becomes more and more isolated behind garage doors and walled compounds. Our public space lacks identity and is largely anonymous, while our private space strains toward a narcissistic autonomy. Our communities are zoned black and white, private or public, my space or nobody's.

Calthorpe urges that we "need communities that are occupied full time and that provide a world of opportunity for



kids, communities that support women (and men) in their efforts to weave together an ever more complex life of home and work."<sup>21</sup>

New Urbanists Andres Duany, Elizabeth Plater-Zyberk, and Jeff Speck point out that "we have rebuilt our nation every fifty to sixty years." We are likely to do so again, one way or the other, more than once over the course of the new century. As they observe: "The choice is ours: either a society of homogenous pieces, isolated from one another in often fortified enclaves, or a society of diverse and memorable neighborhoods, organized into mutually supportive towns, cities, and regions."<sup>22</sup>

New Urbanist efforts offer practical precedents for community planning—and, too, a further trajectory of intersecting thought and developing experience that reinforces the logic of a community-building approach to both environmental and gender issues. There are also signs that such efforts are developing increasing support—and in so doing are adding to the possibilities of a longer-term foundationally oriented politics in general.<sup>23</sup>

The broad direction that begins with community stability and sprawl issues and moves on to New Urbanism—both in general and, now, in ways that facilitate new gender roles and civic renewal—recalls themes that have been evolving over the last hundred years that culminate, logically, in community-focused strategies aimed at the development of new towns and population centers in areas away from mass conurbations.

"The re-animation and re-building of regions, as deliberate works of collective art," Lewis Mumford wrote early in the twentieth century, "is the grand task of politics for the opening generation.... And as the new tasks of region-

\* It is important to note that many New Urbanist strategies have been criticized as primarily middle- and upper-income efforts. Ultimately for such ideas to have society-wide impact, they clearly would have to be linked to strategies that address inequality. See chapters 1, 17, and 18.

building imply shifts in population, migration into more favored areas, and the building up or reconstruction of a multitude of new urban complexes, the politics of regional development become of critical importance."<sup>24</sup>

The creation of new population centers—and the construction of new homes, shops, and public facilities in new cities or around smaller older ones—is likely to become a matter of increasing concern as the U.S. population moves toward 400 million by midcentury and in the direction of even greater numbers by century's end. Either new community centers will be systematically encouraged, or the wasteful, ecologically destructive, traffic-congested and gendered development patterns of the last half-century will multiply, piling new cohort of population upon sprawling new cohort as time goes on.

Technological and other sectoral trends clearly permit far greater economically efficient dispersion of jobs. Numerous studies have also shown that smaller cities in the 100,000 to 200,000 range perform better than large cities with respect to a range of quality-of-life issues, including the environment, crime rates, and traffic management—and, too, that large majorities, if given a choice, would prefer living in smaller communities. Cities of smaller scale have also been shown to be more conducive to democratic participation than large cities. Ecologist David Orr suggests that the question is no longer "whether the urban tide will ebb, but when, how, how rapidly, and whether by foresight or happenstance."<sup>25</sup>

Many of the growing number of tax, loan, procurement, and institution-building policies aimed at bolstering community stability that we have reviewed could also obviously be used to help implement a coherent strategy to support new, more dispersed centers of population and economic activity. Precedents for using public job targeting to help stabilize and build up smaller towns are also well established in connection with the current placement of government offices and installations.<sup>26</sup>

Clearly, the near-term political odds against developing a systematic and fully realized approach to job and population

dispersion are long. It would nonetheless be a mistake to dismiss the possible unfolding of such a strategy over the course of the century out of hand—and the logic of this possibility suggests one final perspective on the potential gains that might be achieved by bringing some of the key elements of the Pluralist Commonwealth theory and experience together in a comprehensive approach.

When new population centers are developed on new land or around existing small towns, the value of that land increases enormously. One of the founders of modern city planning, Sir Ebenezer Howard, long ago proposed that if such land were owned by some form of community corporation or land trust, the increase in value associated with new economic development would redound to the benefit of the community as a whole (and could ultimately be sufficient, he calculated, to repay investment costs and eliminate most local taxes).<sup>27</sup>

The key concept is essentially an expanded version of existing land trusts and value recapture efforts currently in common use in many parts of the nation.\* Moreover, as we have seen, precedents for integrating such an approach with public investment strategies can be found in numerous cities—including Washington, D.C.; Atlanta; Miami; Cedar Rapids, Iowa; Santa Clara, California; and San Francisco—that have established community ownership of development around transit entrances in order to capture increased land values produced by public investment (see pp. 93–96).

A fully developed strategy aimed at helping create new population centers—one that brings together job-stabilizing policies and new land ownership institutions—offers dramatic opportunities not only for longer-term planning in general, but for capturing huge gains that might be plowed back into community development, housing, and other subsidies and even, perhaps, direct or indirect income supplements.

\* It also recalls the municipal land ownership ideas urged by the conservative University of Chicago economist H. C. Simons (see above and pp. 56–57).

Intriguingly, Howard judged that the long-term possibilities suggested by the localist community-oriented ownership model he proposed might one day offer a way to bypass the difficulties of both historic political-economic “systems” through principles not unlike those at the very core of the Pluralist Commonwealth vision: “[O]n a small scale society may readily become more individualistic than now—if by Individualism is meant a society in which there is fuller and freer opportunity for its members to do and to produce what they will, and to form free associations, of the most varied kinds; while it may also become more socialistic—if by Socialism is meant a condition of life in which the well-being of the community is safeguarded, and in which the collective spirit is manifested by a wide extension of the area of municipal effort.”<sup>28</sup>

## The Regional Restructuring of the American Continent

THE PLURALIST COMMONWEALTH model attempts to deal seriously with long-standing arguments that the sheer continental size of the United States and its very large population are ultimately inimical to a robust system-wide vision of democratic practice. (See Chapter 5.) Community-oriented strategies appear to be within the range of realistic political possibility in coming years. What of the larger and seemingly utopian idea that much more far-reaching—indeed, radical—decentralization is both necessary and possible?

Five major considerations suggest that, contrary to conventional assumption, the logic of regional restructuring is likely to become of increasing importance as the twenty-first century develops. These include trends in Supreme Court and congressional decision making; an explosion of state-based initiatives; the impact of global political-economic forces on the current federal system; very large-order projected changes in the economy and population; and new trajectories of expanding ethnic political power concentrated in key regions experiencing economic distress.

Over the last several decades a series of Supreme Court and congressional decisions has begun to establish new principles of decentralization in the U.S. federal system that (for better or worse) are much more far-reaching than many understand. At the same time, numerous states have launched new initiatives that are slowly altering the locus of power in the system.

The trend in Supreme Court decision making has been well documented. In *United States v. Lopez* the Court ruled that Congress exceeded federal authority by attempting to keep firearms out of local school yards. In *Seminole Tribe of Florida v. Florida* and several subsequent cases involving state employees, savings banks, and violence against women, the Court held that Congress did not have authority to establish federal jurisdiction over states that did not consent to be sued. In *Printz v. United States* it ruled that requiring states to implement waiting periods for handgun purchases involved a similar overreach of federal power. The Court held in *Rush Prudential HMO v. Moran* that states had independent authority to protect patients' rights through legislation providing for "independent review"—a second opinion—in disputes with managed care companies (HMOs).<sup>1</sup>

An equally important trend in federal legislative actions has furthered the decentralization process. Among the most widely discussed is the 1996 Temporary Assistance to Needy Families reform, which gave states unprecedented power to "end welfare as we know it." This, however, is only one of a large number of less-publicized moves in the direction of greater state and local authority. We have noted the Community Development Block Grants, which allow great latitude in the use of federal money for various urban housing and community development programs. "Self-denying" legislation approved in 1995 limits the federal government's ability to impose unfunded mandates on the states. Again, the Children's Health Insurance Program allows states flexibility in designing benefits packages for uninsured children of low-income families.<sup>2</sup>

Similarly, the Intermodal Surface Transportation Efficiency Act gives states considerable discretion in developing transportation programs in accord with local priorities. The independent role of the states has also been augmented through widespread use of Medicaid "waivers" authorized under the Social Security laws. Innovative and widely publicized health insurance strategies in Oregon, Vermont,

Hawaii, and Maine, among others, have been developed on this basis.<sup>3</sup>

The states have also increased their powers through independent legislative and legal actions of their own—often because the federal government has been either deadlocked or opposed to change. After Congress failed to enact health care legislation in 1994, for instance, the states began passing patients' rights and prescription drug laws (more than half had enacted drug assistance legislation by 2003). "[O]ne can easily recount a long list of regulatory issues on which the feds have simply abdicated, leaving it to the states," observes Jonathan Walters of *Governing* magazine. States have moved into areas where federal inaction or minimalist action has been most obvious—including growth management, dirty-air emissions, gasoline additives, genetically engineered crops, questionable lending practices, and so on.<sup>4</sup>

Many states—most prominently, but hardly exclusively, California, Alabama, and Alaska—have also established innovative economic programs. (See Chapter 10.) Still others, like Washington and North Carolina, own or finance public railroad systems. New Mexico and California have radically reduced imprisonment for many drug offenders. Vermont has recognized gay partnerships. In 2002 California approved legislation requiring the "maximum feasible reduction" in tailpipe emissions of carbon dioxide and other greenhouse gases by cars and light trucks by 2009. Since 1993 Georgia has offered scholarships to all high school graduates with a B average that can be used at any public, private, or technical school in the state.<sup>5</sup>

The movement toward greater state authority is not an unbroken trend. A countermovement is evident in several Supreme Court decisions related to economic issues and in legislative efforts to enact "preemption clauses" mandating federal jurisdiction in connection with various regulatory matters. On the other hand, the state attorneys general have mounted important new legal challenges, most dramatically in connection with tobacco, but also with regard to inflated

costs of prescription drugs, antitrust (Microsoft), and other issues ranging from securities fraud to global warming. In 2002 New York Attorney General Eliot Spitzer negotiated a settlement requiring Merrill Lynch and Company to pay \$100 million in penalties to fifty states because of conflicts of interest between its sales, investment, and research services. Subsequent initiatives challenged other corporate practices and helped spur the Securities and Exchange Commission into more aggressive enforcement action.<sup>6</sup>

Nor are these simply progressive state initiatives. Typical of fraud cases was one brought by the Texas attorney general against Warrick Pharmaceuticals for allegedly attempting to gain market share by charging pharmacists \$13.50 per prescription while arranging for Medicaid and Medicare to reimburse them at \$40.30 per prescription. In February 2003 seven state attorneys general warned the federal government of possible litigation if it did not do more to force industry to lower emissions of greenhouse gases; in April 2003 five states helped push through the largest settlement ever under the Clean Air Act.<sup>7</sup>

Independent legal activism by the states has also arisen in large part because of federal inaction. Modern state attorney general initiatives first began to develop in response to the Reagan Justice Department's failure to do much to protect consumers and the environment. The \$206 billion tobacco settlement in 1998 was a major victory that helped put the general movement into high gear.\*

\* As in the recent gay marriage decision of the Supreme Judicial Court of Massachusetts, state courts have also often been more protective of individual rights than the Supreme Court. Though public attention has rarely focused on such issues, modern studies of "judicial federalism" indicate that: (1) in general, Supreme Court decisions establish a federal rights protection floor below which state courts may not go; (2) in about one-third of recent cases, state courts have mandated greater protections for individual rights than is required; and (3) in general, this is true in so-called conservative states as well as in liberal states. See, for instance, James N. G. Caution, "Expanding Rights Under State Constitutions: A Quantitative Appraisal," *Albany Law Review*, vol. 63, no. 1183, 2000; and Barry Latzer, *State Constitutions and Criminal Justice* (New York: Greenwood Press, 1991). A (continues)

In general, University of Virginia political scientist Martha Derthick points out, the states have increasingly become the "default setting" of the American political-economic system—the level of government that acts when Washington does not because of gridlock or neglect. Alan Ehrenhalt of *Governing* magazine goes further: states are now increasingly the "level of government we go to because we don't expect the others to succeed."<sup>8</sup>

Many traditional liberals, fearing a weakening of federal standards, have opposed the general trend. Others feel the only option available may be a long-haul effort to rebuild power at the base, state by state. The important point for the future, Ehrenhalt emphasizes, is that "once states and their elected leaders begin thinking of themselves as the actors of first resort on crucial questions—rather than the actors of last resort—the logic of the whole system is in for a change."<sup>9</sup>

The implications of globalization reinforce this fundamental judgment. Especially significant are pressures that create new Washington-level restrictions on state decision making—and in turn produce new and angry resistance. A recent study by Columbia University professor Mark Gordon of the implications of World Trade Organization (WTO) regulations points out that WTO rules "strike at the heart of the types of policy decisions that States use to define some of

their most basic beliefs." WTO regulations now increasingly challenge traditional state prerogatives in connection with "issues of environmental and consumer protection, set-asides to assist minority or small businesses, efforts to regulate the activities of large financial services institutions such as banks and insurance companies, and decisions about how to structure the raising of revenue through taxes and its expenditure through government procurement policies."<sup>10</sup>

Gordon and other analysts predict that as the impact of the new global trade regime hits home, an intense dynamic will be set loose that will force Washington to reach ever deeper into state power to enforce global agreements—and will, in turn, force states to develop ever more adamant counterstrategies: "[G]lobalization introduces a whole series of 'shocks' to the existing system."<sup>11</sup>

Numerous state leaders throughout the country have, in fact, already gone on record challenging WTO and NAFTA-imposed requirements. A resolution passed by the Oklahoma legislature—to cite only one of many examples—demands that the president and Congress "preserve the traditional powers of state and local governance" and "ensure that international investment rules do not give greater rights to foreign investors than United States investors enjoy under the United States Constitution."<sup>12</sup>

The long-term logic points to an ever more powerful "backlash" by the states—and demands for greater independence from the long arm of Washington in its role as enforcer of WTO rules. A test case currently being litigated involves Methanex, a Canadian corporation that manufactures a component of the chemical MTBE, a gasoline additive and suspected carcinogen that has run afoul of California environmental law. As of this writing, legislative hearings and other forceful initiatives have been launched in response to growing state anger.<sup>13</sup>

The likelihood of structural change in the federal system over the course of the century is intimately related to even

(continued) landmark 1977 article by Justice William J. Brennan Jr. pointed to state constitutions as "a font of individual liberties, their protections often extending beyond those required by the Supreme Court's interpretation of federal law." "State Constitutions and the Protection of Individual Rights," *Harvard Law Review*, vol. 90, no. 3, January 1977. The point could become of substantial importance as time goes on: Cass Sunstein observes that, contrary to widespread opinion, the U.S. Supreme Court has only occasionally made protection of civil rights and liberties a priority (in recent years, "a brief quirk of history," Sunstein suggests, "limited to a short time in the middle of the 20th century"). The more fundamental and far more conservative trend—further bolstered by modern Court appointees—has been exacerbated by post-September 11 security fears. See Cass Sunstein, "What We'll Remember in 2050: 9 Views on *Bush v. Gore*," *The Chronicle of Higher Education*, vol. 47, no. 17 (January 5, 2001), p. B15.



more fundamental shifts—above all, to emerging economic and population trends.

As we have noted, the United States is much larger in geographic scale than most Americans commonly realize—in fact, larger geographically than all the other advanced industrial countries taken together when Canada and Australia (nations with large empty land masses) are excluded. In Kennan's phrase it is "a monster country" (see p. 67). Again, the current \$10 trillion U.S. economy is over five times the size of the German economy, and more than seven times the economies of France and Britain. Leaving aside Germany and Japan, it is larger than the combined economies of all the remaining OECD countries taken together.<sup>14</sup>

The conservative estimating assumptions used in official Social Security projections suggest that the U.S. economy will more than double by midcentury to roughly \$29 trillion (in 2003 dollars)—three times that of the current European Union. It will reach more than six times its current size (roughly \$70 trillion in 2003 dollars) by the end of the century. If the more optimistic short-term economic assumptions used by the U.S. Council of Economic Advisors are projected forward, the figure could easily be \$100 trillion or more by 2100. The latter estimate is roughly ten times the U.S. economy's current scale. Discounting either projection substantially, of course, still yields an extraordinary figure.<sup>15</sup>

The present U.S. population of over 280 million is also huge by world standards. It is the third largest after China and India and more than twice as large as any other OECD nation—greater, in fact, than the combined populations of twenty-one of the other twenty-nine OECD countries taken together. U.S. population is also projected to increase dramatically over the course of the twenty-first century. Midrange Census Bureau projections suggest it will reach 400 million by 2050—and 570 million by 2100. If the Census Bureau "high-series" projection is taken as a baseline, these numbers will increase to 550 million by 2050—and to 1.18 billion by 2100.<sup>16</sup>

Accurate demographic projections are notoriously difficult to make. The critical variables are future birth and death rates and immigration flows. Census Bureau demographers do not include political analyses in their projections, even though political factors can also be extremely important. When such factors are introduced, two quite obvious considerations suggest something in the direction of the higher-range projections may well be closer to reality than the mid-range and lower-range estimates.

First, immigration from Mexico—now over 300,000 a year (roughly 160,000 a year documented and an estimated 150,000 undocumented)—is all but certain to be significantly affected by politics in the future. The Mexican American vote has now become sufficiently large to force both political parties to respond to its strong interest in immigration and in making immigrants already here citizens. It is all but impossible to win the presidency without winning either California or Texas, and in both states the Mexican American vote is critical.<sup>17</sup>

A political tipping point may well have been reached prior to the events of September 11, 2001, when both the Bush administration and leading Democrats signaled a desire to be responsive on immigration issues related to Mexico. Corporate interests in cheap labor have also encouraged Republican support for a relaxation of immigration policy; and new community alliances, especially in California and key Southwestern states, have brought labor to support Democratic positions favorable to immigration.<sup>18</sup>

Recent studies by the Census Bureau and the Center for Labor Market Studies at Northeastern University show that there was little change in (legal and illegal) immigration over the 2001 to 2002 period. And although new legislative activity was put on hold by war on terror concerns after September 11, Bush offered a proposal to allow undocumented immigrants already in the country permanent residence under certain circumstances in early 2004. "[T]he long-term dynamics encouraging a new approach to immigration

remain in place," *Los Angeles Times* columnist Ron Brownstein observes—especially the fact that as the economy recovers, business demand for new workers will become increasingly important.<sup>19</sup>

A second political factor likely to impact immigration and thereby population growth is the Social Security financing problem. As has been noted repeatedly, although there were five active workers in the labor force for every retiree in 1960, currently active workers number only 3.4 per retiree. By 2030 the ratio of workers to retirees is projected to fall to around 2.1 (and to a mere 1.8 by 2080). Although such figures have commonly been used to bolster arguments for a reduction in Social Security benefits, an obvious alternative—as several economists have urged, and many other countries have realized—is to increase the number of workers per retiree through immigration (see Chapter 16).

If even a modest long-term immigration increase is included as a response to considerations related to the Hispanic vote—and as a political alternative to cutting Social Security benefits of great importance to large numbers—movement in the direction of the higher-range Census Bureau projections becomes more rather than less likely. A very cautious and respected analyst, Harvard sociologist Christopher Jencks, suggests in any event that 500 million, rather than 400 million, is a likely number by 2050. Political and quasi-political considerations—plus the fact that Mexican American Catholic immigrants have birth rates almost twice those of the general non-Hispanic U.S. population—suggest that long-range projections in the 1.18 billion range are not nearly as speculative as some may think.<sup>20</sup>

Even assuming more modest population projections, the numbers become very large as the century unfolds, no matter what. At some point, large enough in all probability to force even the most reluctant to consider large-order moves away from the current centralized concentration of major governmental decision making.

Twenty-one states have populations of less than 3 million (of these, seven have less than a million). Another nine have populations of less than 5 million. Most of these thirty states (and perhaps others) are too small to deal effectively with many economic, environmental, transportation, and other problems on their own.<sup>21</sup>

Long-term federal restructuring that might ultimately come to rest on a unit of scale larger than most states but smaller than the nation—the region—most likely would begin with states that: (1) are themselves very large; (2) have a sense of their own political and policy identity; (3) are experiencing trajectories of growing racial and ethnic change different from the rest of the nation; (4) are experiencing particularly painful economic and fiscal distress; and (5) are already constituted as organized "polities."

An obvious candidate to initiate long-range change is the regional-scale "mega-state" of California.

California, in fact, is already the equivalent of a very large semiautonomous political-economic system. Its economy is roughly the size of France's, the fifth-largest economy in the OECD.\* The economy of the five-county Los Angeles area alone is roughly the size of Spain's, the OECD's ninth-largest economy—and is greater than the economies of Brazil, India, and South Korea.<sup>22</sup>

California's population of 35 million is greater than that of Canada (31 million), Australia (19 million), the Netherlands (16 million), Portugal (10 million), and all four of the Scandinavian countries combined (24 million). Los Angeles County is larger in population than forty-two of the fifty states. The state is also larger, geographically, than numerous important nations—including Germany, Japan, the United Kingdom, Poland, and Italy.<sup>23</sup>

In recent years state political leaders of both parties have also begun to take ever more challenging and independent

\* The California economy is ranked either fifth or sixth largest, depending on the relative values of the U.S. dollar and the euro in any given year.

positions. In 1994 Republican governor Pete Wilson came head-to-head with Washington in a bitter fight over the results of Proposition 187, a ballot initiative that would have denied public services—including public education and subsidized health care—to undocumented immigrants. “California will not submit its destiny to faceless federal bureaucrats or even congressional barons,” an angry Wilson all but shouted. “We declare to Washington that California is a proud and sovereign state, not a colony of the federal government.”<sup>24</sup>

In 2001 Democratic governor Gray Davis confronted the Bush administration over its energy policy after rolling blackouts and extortionate prices had drained billions from consumers and the state treasury alike: “If you’re looking for a culprit, I’ll give you a culprit. The culprit is the Federal Energy Regulatory Commission.” Representative Henry A. Waxman coolly observed that the issue sharpened battle lines; it was the state in general against Washington, not one party versus the other: “It didn’t make any difference whether you were a conservative Republican or a liberal Democrat.”<sup>25</sup>

The current California economy of \$1.36 trillion is likely to increase to roughly \$9.4 trillion—and possibly to \$15.2 trillion—by 2100 (assuming no major order-of-magnitude changes in its share of national GDP). Under similar general baseline assumptions, its population will reach on the order of between 68.7 million and 83.3 million, on the basis of midrange census projections.<sup>26</sup>

Under all projections, California’s population changes are also laying the demographic foundations for a different Hispanic-dominated political-economic identity and developmental path—one that is likely to further intensify the state’s growing sense of independent direction and difference from the rest of the nation. In 1940 just 6 percent of the population was Latino (roughly 415,000 of the state population of 6.9 million). By 1970 it had reached 13.7 percent. The non-Hispanic white population in California is now a minority—less than 47 percent (in 2000), down from 57.2 percent

just ten years earlier. Non-Hispanic whites are projected to constitute a mere 31 percent of the state in 2040.<sup>27</sup>

What will happen beyond 2040 is anybody’s guess. “There will be no place in the state that is not touched by immigration and these racial and ethnic changes,” observes Mark Baldassar of the Public Policy Institute of California. “We will be inventing a new kind of society.”<sup>28</sup>

Though few have fully grasped the implications, such changes in fact point to the kinds of long-term regionally defined cultural and ethnic shifts that have intensified the logic of regional restructuring in nations throughout the world. A major difference is that the United States is, and will increasingly become, truly mammoth in comparison to most other advanced nations.

In addition to the MTBE case, California has also already been impacted by other globalization pressures, and numerous of its state programs are likely to run afoul of WTO and NAFTA regulations.\* Its massive fiscal problems—and recent electoral events—suggest the likelihood of ongoing political volatility. Given its economic difficulties and the emerging pressures, in many ways it would be surprising, in fact, if a large and inherently wealthy regional-size state like California did not at some point *demand* greater powers to better manage its own affairs.

If (when?) it did, its example would likely be followed in one way or another by other large states. Texas, which now numbers 20.9 million, is projected to reach 27.2 million by 2025 and, on reasonable assumptions, 46 million by century’s end. Within a decade non-Hispanic whites are projected to be

\* Including (among many, many others) the California Export Finance Program (prohibited), the California Transportation Research and Innovation Program, the Energy Conservation and Development Program, the California Hardwoods Industry Initiative and California Technology Investment Program (all subject to “countervailing measures”), and “increased research activities tax credits.” Mark C. Gordon, *Democracy’s New Challenge: Globalization, Governance, and the Future of American Federalism* (New York: Demos, 2001), p. 41.

a minority—and a mere 33 percent of the population by 2040. Florida and New York are also of substantial interest. Florida is larger geographically than many midsize European countries; its current 15.9 million population is projected to reach 35 million by 2100. New York's population of 18.9 million could reach 33.5 million and its economy grow to over \$8 trillion by 2100. All three states might follow the lead of California—or at some point launch independent initiatives of their own that would have repercussions throughout the system.<sup>29</sup>

Other plausible decentralization scenarios involve groups of smaller states. Numerous precedents and a long history of states working together could be drawn upon either in response to an assertion of power by larger states or simply in order to achieve positive goals that few small states can achieve on their own. Regional strategies have long been common, for instance, in connection with environmental issues. Some regions, such as New England, have developed multiple forms of interstate cooperation involving groupings of governors, attorneys general, environmental administrators, and others.<sup>30</sup>

Nearly two hundred Interstate Compacts—which are already authorized by the Constitution—also currently coordinate various state efforts in connection with matters ranging from economic development to high-speed intercity passenger rail service. Federal precedents also abound—including the Tennessee Valley Authority and previously noted presidential proposals for many similar authorities (see Chapter 5). The Appalachian Regional Commission currently involves some thirteen states in common efforts related to industrial development, energy resource coordination, tourism promotion, and other matters. Both the Johnson and Nixon administrations experimented with various additional forms of regionalization—the former by establishing regional commissions, the latter through regional administrative strategies.<sup>31</sup>

Such precedents for regional coordination do not reach to the many larger issues of political-economic authority and power that system-wide restructuring would clearly require. On the other hand, the historical record offers evidence that

states working together when problems are larger than any one state can handle have been effective in many, many instances. The regular reappearance of regional efforts also points to a certain political appeal that regionalist ideas appear to have—especially when traditional alternatives are incapable of dealing with pressing political-economic problems.

Few in the United States are aware that in recent decades an intense exploration of regionalist constitutional changes has been under way throughout the world—in Britain and in nations as diverse as China, Italy, Indonesia, the former Soviet Union, and Canada. In 1989 a comprehensive international report concluded that decentralization had become a “subject of discussion in all countries regardless of whether they are old or young states or whether they have a long unitary or federal tradition.”<sup>32</sup>

It is possible that the United States will be immune to the global trend—and that as the nation moves toward 500 million and beyond, it will continue to be managed, administered, and fundamentally governed from Washington without significant change in what by century's end will be a constitutional structure that is more than three hundred years old. However—and even though few Americans have yet imagined the possibility—given the various changes under way, the odds are that population growth alone will ultimately create conditions that demand consideration of some form of major restructuring.

The specific shape a new Pluralist Commonwealth-oriented regionalism might take over the course of the century

\* The first round of British regional devolution has focused on existing political units (Scotland and Wales); coming rounds are expected to produce new units within territorial England itself. A recent survey found almost two-thirds (63 percent) backing further regionalization; as of this writing, referenda on the establishment of regional assemblies are set to take place in three English regions (the North-East, North-West, and Yorkshire and the Humber) in 2004. Other countries are in various stages of debate, legislation, and implementation. See, for instance, Matthew Tempest, “Three Regions to Vote on Assemblies,” Q&A: Regional Government,” and “Regional Government Around the World,” all in *The Guardian*, June 16, 2003. United Kingdom survey at [news.bbc.co.uk/1/hi/uk\\_politics/1976027.stm](http://news.bbc.co.uk/1/hi/uk_politics/1976027.stm) (accessed 04/24/03).

is obviously indeterminate. Initial changes would likely involve greater state/regional autonomy in connection with economic and environmental matters, reductions in federal preemptive powers with regard to corporate regulation, limitations on the impact of WTO and other trade treaties on state/regional legislative authority, and alterations in current Constitutional Commerce Clause restrictions related to state/regional economic rights. Beyond this, much larger issues concerning the apportionment of power might well be posed.

The nations of the European Union are currently groping toward a constitutional structure that begins with highly decentralized nation-state political units (roughly similar in scale to U.S. regions)—and attempts to move from this basis centripetally, toward greater power at the center. The United States may well find itself moving in the direction of a similar long-term structural end-point—beginning, however, from the other direction and moving outward, centrifugally, to greater independence of regional-scale units away from the center.\*

Quite apart from population and other pressures that may force change—and the many uncertainties that would ultimately have to be confronted and resolved—over the long arc of the twenty-first century, Americans who are committed to a renewal of democracy are unlikely to be able to avoid the truth that in all probability this can only be meaningfully achieved in units of scale smaller than a continent but also of sufficient size to be capable of substantial semiautonomous functioning: the region.

\* European experience also demonstrates that civil liberties and civil rights can be protected in systems involving substantial decentralization—indeed, sovereignty. In the opinion of many specialists the European Convention of Human Rights and subsequent protocols provide greater protections in many areas than U.S. practice. See, for instance, Nadine Strossen, "Recent U.S. and International Judicial Protection of Individual Rights: A Comparative Legal Process Analysis and Proposed Synthesis," *Hastings Law Journal*, vol. 41, no. 805 (April 1990); and Paul R. Dubinsky, "The Essential Function of Federal Courts: The European Union and the United States Compared," *American Journal of Comparative Law*, vol. 42, no. 295 (1994).

## PART IV

# TWENTY-FIRST-CENTURY POPULISM

THE TRAJECTORIES OF EMERGING theory and the evolving new forms of ownership and community restructuring suggest that the opening decades of the twenty-first century are likely to establish significant foundations for what potentially could become much more far-reaching change in the direction of Pluralist Commonwealth ideas.

Is there any chance that the large-order power arrangements of the U.S. political economy might ever be challenged to permit a major rather than a minor political dynamic that builds upon such foundations over time?

An initial issue is whether longer-range system-oriented change is absolutely precluded. If so, even under the most favorable circumstances the steadily evolving developments are likely to remain at the margins of American politics—even if substantial advances are achieved.

The answer can never be certain, but as we have noted, larger-order political realignments have been common in U.S. history. During the last several decades alone, important political movements on both left and right have also