

Metropolis now

Joel Rogers and Katrina vanden Heuvel

Published 17 September 2009

On the campaign trail, Barack Obama promised to champion America's cities and help them help themselves. So how are they faring under his presidency?



America is a metro nation. About 80 per cent of the US population now lives in metropolitan areas, which together cover about 20 per cent of the country's land and create roughly 90 per cent of GDP. The top 100 metros alone, on 12 per cent of American land, account for 65 per cent of the population, 75 per cent of GDP, and comparable or greater shares of critical infrastructure, education and research institutions.

While cities have long been to a large extent invisible in American public life, the country now has a president who actually likes them and understands their centrality. He recognises that almost all the big trends in US demographics (smaller households, ageing), culture (more tolerant, less racist), economics (the need for innovation, less waste, greater self-sufficiency) and the environment (dying) either predict or recommend the growth of cities. And he thinks their present dysfunction - the source of most of the country's main domestic problems, such as inequality, unsustainability and declining competitiveness - can be cured.

During his campaign for president, Barack Obama promised to champion cities and, most urgently, to change the way that federal programmes tackled their multiple but often interrelated problems. For years, initiatives touching many of the same people and places but originating from different departments - housing and urban development, energy, education, transport and environment - had too little shared purpose and co-ordination to get much done, and enough red tape to strangle innovation. They were victims of a bureaucracy driven by process rather than outcome.

Since taking office, Obama has made good on his pledge to address this. After a series of strong appointments, and with firm instruction, the various government agencies are collaborating as never before. Having formalised working agreements and joint staff teams, they are synchronising complementary interventions (on matters of housing and transport, for example, or - to be more specific - regenerating homes and installing broadband access at the same time), and they are asking cities to match that co-ordination with their own.

This is still small-scale and, admittedly, good government on a pretty basic level - as is Obama's recent request that the Office of Management and Budget should carry out a formal review of the effectiveness of all urban programmes (the first time this has happened in 30 years) and make recommendations on strategy. Yet, in this particular area of US government, it is a spectacular breakthrough to common sense.

It has limits, however. One is that nobody in the administration has defined what success in a city means. Should it be measured by improvements in sustainability, such as reductions in carbon-dioxide emissions; or productivity, such as asset appreciation; or equity, such as the declining significance of family background, race or sex for educational attainment, income, wealth or health? Or some combination of all three?

The more glaring and urgent problem, however, is the stiff resistance that Obama has run into over his substantive domestic investment agenda. The original strategy was "do everything at once" - to spend his political capital while it was at its height in order to push through reforms in health, climate, transport and education, after which the direction on taxes would be clear. But this was immediately slowed down by two things.

The first was the continued mop-up of the financial disaster and Obama's deference to his Clinton redux treasury team in handling it. This led to a series of poorly defended and predictably unpopular decisions - to bail out favoured banks and insurance companies but not others; to sell off good assets to hedge funds while keeping the worst for taxpayers; to approve colossal bonuses for those who nearly wrecked the economy; to decline providing direct relief to distressed homeowners - and has put unstated limits on the terms of future domestic spending.

The second spanner in the works was the Republican Party's decision to go into near-total opposition, attacking anything that Obama proposed. This was evident from his first piece of legislation, the American Recovery and Reinvestment Act. Widely proclaimed as gargantuan but in truth almost certainly too small, this was a straightforward effort to help an economy in free fall through tax cuts and public spending.

Virtually all economists (including former advisers to the Republican presidential candidate John McCain) agree that the act has done the trick, thus far saving several million jobs and about 2 per cent of GDP growth in a huge contraction. When it came up for approval in February, however, it was denounced by Republicans as wildly irresponsible. Larded with tax cuts to lure their support, the act got only three votes from Republican senators.

Things have only gone downhill since. The Republican Party's opposition to Obama now amounts to an all-out war, in which it is prepared to enlist and support any willing lunatics and liars, such as a "birther" movement questioning Obama's citizenship, and others screaming about his plans for concentration camps and mass euthanasia of the elderly. These antics are aired 24/7 on Rupert Murdoch's Fox network, where right-wing populists such as Glenn Beck feed their audiences a steady diet of rage and character assassination. Fox/Beck's latest campaign, against the White House's "green jobs" adviser Van Jones, ended with Jones's resignation early this month.

So it is an uncertain time for cities. They won't go down if Obama goes down. The 2010 budget, all but approved, maintains support for the government agencies of greatest concern to them. But a defeat on health care and climate, and a failure to reform transport, will make things a good deal tougher for cities. And at the moment, nobody is certain that anything - not health care, not climate, not transport - is on track to success.

There is a deeper problem, too. Despite the new president's concern for and engagement with America's cities, there is a stubborn legacy of hostility and indifference towards them. There is, for a start, racism. Postwar federal housing policy encouraged a distinctly white suburbanisation. From the urban freeways of the 1950s, to Lyndon B Johnson's Great Society reforms, to latter-day New Orleans or Oakland, urban renewal has meant black removal. Then there is the indifference of the mainstream left. Labour unions in effect dismantled their central labour councils and, outside the building trades, turned all their attention to industry or employer bargaining, without regard for spatial context. There is the immense power of the auto-industrial complex, the single biggest source of employment throughout the postwar period, and its unremitting hostility to any place or alternative in its way. There is political and cultural conservatism. The electorate in US cities, as in cities throughout the world, is more progressive than elsewhere. It believes in public goods, but it also admits vice, outlandish behaviour and other interruptions to middle-class

order. As Jane Jacobs observed, cities create the middle class, they don't attract it.

A further obstacle is the fierce competition fostered among local governments, which severely hinders them from working together constructively on metropolitan or regional schemes. Public spending in the US, as a percentage of GDP, is about 10 points lower than the OECD average, and about 15 points below the EU one - that's roughly \$2trn not spent in the US on the social wage and public goods. As a result, a citizen in need of assistance in the US is not first and foremost a concern for local government, but a cost. The federal government compounds this public poverty by encouraging states and local governments to compete for business capital through tax, regulation and subsidies. Last year alone, states and local governments handed out more than \$70bn in relocation subsidies to lure firms (or keep them from moving) across jurisdictions, often only a few miles apart. Only in a handful of cases - San Francisco, Portland, the Port Authority of New York and New Jersey - has regional government emerged from and survived the stranglehold of such divisively competitive local politics.

Despite all these difficulties, however, there is hope for US urban policy, and for the president most likely to reform it. First, there is widespread recognition among the elite that the irrationality of the current system is creating costs that will eventually be unbearable to social peace, competitiveness or the environment. Second, the demographic and cultural trends are on the side of cities, and the property market tells us that ordinary people - not just Generation Y computer graphic artists and designers - prefer to live in them. At some point, it just gets hard to move the mountain of consumers who would like something other than empty suburbs and rural McMansions.

But the greatest cause for hope is the development of far more positive and successful metro politics. This can be seen in the huge success of referendums on funding more city transport; the speed at which organised labour and communities of colour (for so long divided in US cities) are joining together in vast regeneration projects; the emergence of pro-planning/pro-tax business groups; and the astonishing range of innovation and experiment by communities and local political leaders on issues encompassing schools, public safety, health-care delivery, new property forms and types of financing.

This new politics breaks with many of the divisions that largely defined city politics and urban decline during the second half of the 20th century: the endless wars between business, labour, environmentalists and communities of colour. Now, by virtue of learning and necessity, these groups recognise that they cannot succeed with their old strategies. At least some parts of business recognise they cannot for ever divest from a society on which they depend; labour knows that it must be productive as

well as redistributive; environmentalists understand that they need economic power and an economic argument for saving the planet, not just a moral one; communities of colour know that protest has diminishing returns when the society in which they've only sought respect might finally be prepared to give it. And although these four groups are by no means at complete peace with one another, they do have a shared political project, centred in the economy.

That project is to develop cities as "high road" places. That means valuing economic self-sufficiency; competing on distinctiveness and performance, not commodity price; recognising the productive use of democracy and the value of place; and developing by using democracy to organise places to better add value, reduce waste, and capture and share the benefit of doing both. This project is Obama's own (if not that of all of his advisers) - to develop our metro nation in ways that make it more self-sufficient, productive, sustainable and inclusive - and those now pursuing it across the country provide his real base. If they get a bit more mobilised, we think, we're going to be all right.

Joel Rogers is a contributing editor of the Nation. Katrina vanden Heuvel is its editor and publisher