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Right-Sizing Cities, Part II: The Growth and Decline of American Cities

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In order to understand the shrinking cities—phenomenon, some perspective on how it was that cities grew in the first place is helpful. Shrinking is the antithesis of growth. In most systems, growth does not last forever. In many stable systems, however, shrinkage does not necessarily follow growth. Indeed, shrinkage is characteristic of a system in disequilibrium, the redirection of which requires significant systems understanding. Therefore, it is important not only to understand how American cities declined, but why they declined, and what critical factors drove their shrinkage. So, let’s start from the beginning.

How Our Cities Became So Big in the First Place

Before most American cities began to form, the majority of the American people lived at or near the eastern seaboard as first-generation settlers in a new land. Those earliest settlements attracted people and communities, largely from Europe, but also domestically through the reshuffling of population. They featured higher levels of prosperity, due to what economists would call agglomeration economies—the creation of better opportunities through interactions, networks, synergy and critical mass. These early cities eventually became the foundations for our prosperous national economy. They provided base-line economic activities, the benefits of which radiated beyond their borders. People in places surrounding those cities found it beneficial to rely on them for much needed goods and services, while people in rural places leveraged the critical mass in cities as trade connection points.

As the nation continued to grow, city-like places (larger towns) started to emerge closer to other clusters of economic activity, such as agriculture and mining. From the large plantations of the South to the more remote mining communities of the West, eventually rural economies revolved around functional large towns, if not the larger urban economies. So, in the earlier part of our nation’s growth, cities and large towns enjoyed a symbiotic relationship with rural areas.

The natural success of cities was hinged on their ability to be attraction points or staging grounds for new economic opportunities. New immigrants from Europe and other parts of the world were attracted to cities or city-regions, because they had identities and signatures that were unique. Even internationally, the signatures of America’s large towns and cities were palpable in enabling major ethnic groups, such as the Italians, the Irish and the Germans, to settle in large numbers. Regions were identified by their key cities or large towns. New immigrants utilized these cities as entryways to North America and the opportunities that the nation offered. The bottom line is that cities were very successful, not in spite of or on the account of their surrounding communities. One could argue, as mentioned above, that this was a relationship of equilibrium, whereby most places found it easy to thrive.

The industrialization of America in the late 1800s was the New Economy that was about to be born. The nation had a collection of places with great potential—places that were strategically located in proximity to raw materials, along trade routes at strategic locations for the shipment of finished goods and with the concentration of initial talent that the first generation of manufacturing activities could leverage. Innovators with great ideas helped champion industrialization, but what they championed were processes that were consistent with key assets of the cities and regions in which they developed their enterprises. So, the natural assets and unique signatures of those earlier cities could be said to have positioned those places to take advantage of industrialization. As unique business enterprises centered on manufacturing emerged in and around our cities, people flocked to such places in search of better opportunities.

Our cities attracted their fair share of people who previously worked very well with their hands at rural locations around the country where farming represented the dominant economic activity. People could move from Biloxi, MS, to places like Detroit, MI, or Pittsburgh, PA, to find better
paying jobs on assembly lines, manufacturing goods slated for the homes of the emerging middle class workers. Likewise, people with more advanced skills, such as managers, flocked to cities, while those that were technically informed, such as engineers, also found these cities to be destination points.

The very large cities we know today emerged from those earlier formations of cities. An understanding of the key underlying factors that maintained the integrity of cities is helpful. On studying our cities, I arrive at the following basic tenets of early 20th century cities. These tenets, or the fundamentals and trends that drove the emergence of cities, are listed as follows:

- Cities were attraction points for young talent and immigrants searching for better ways of life, which they offered. Our cities were built around the value of talent and new ideas.

- Closeness to raw materials and shipping ports crystallized industrialization in places with such assets. Our cities were built around the notion of production and logistics. Fixed assets mattered in the positioning of cities.

- Differentials in prosperity between cities (destination places) and less affluent rural areas (sending places) was a key indicator of how fast a city/region would grow. Our cities were built around the notion of prosperity and inter-place competition.

- Skill levels needed for industrialization and the success of production places did not exist in the past, but were quickly learned as workers sought to become relevant under an alternative growth paradigm where people and machines created much higher economic value together than they did separately. Our cities were built around new skills and new opportunities to direct them.

- Growth and prosperity were self-perpetuating, as long as a place (city) was in tune with the realities of prosperity. Otherwise, decline was possible—as we have already observed—and shrinkage was highly probable as we are observing now with shrinking cities. Our cities were built around the notion of a growth machinery.

My point is that the industrial economy paradigm favored large cities. As long as cities found themselves on the right side of growth, they thrived. With the mission of cities being largely defined by production capacity, much of the infrastructure developed by cities was designed to support the movement of people to work, and the movement of goods to markets. This was possible during a period of unprecedented national prosperity when the nation grew and was expected to grow by three to six percent a year, and where people and places did not have to worry too much about their relevance in the economy. The fact that our national economy was prosperous and self-contained (no globalization to worry about) made it possible for our cities to grow the way they did. However, the underlying framework started to unravel by 1950. The very trends that made cities success, described above, provide some insights as to what went wrong.

**Why Did American Cities Decline?**

So much has been written about why prominent U.S. cities began to slide. Many of the factors identified are certainly relevant. Some blame the decline on Federal and state highway and transportation policies, which created roads and highways that made it easier for people to move away from cities and into first-ring suburbs, secondary suburbs, remote suburbs and, in many cases, rural areas. Obviously, highways fueled the ability of people to separate their work-place interests from their other interests, such as housing, community and quality of life.

Some blame the decline of cities on the advent of automobiles, which created significant mobility and the greater ability of people to separate themselves from production-oriented communities. Automobiles became prevalent as Americans came to significantly value mobility. But if the roads
did not exist, the explosion of auto-dependency would probably not have occurred. One can, therefore, conclude that roads and cars were co-enablers of the decline of major American cities.

Some blame the shrinkage of cities on the slow decline of the industrial economy, which rendered most production-focused places less relevant, as people moved to places where the economy had better mixes between manufacturing and production, on the one hand, and services, such as tourism, on the other hand. Across the United States, there is abundant evidence mounting that places can thrive without manufacturing anything. There is also huge evidence that so much more value can be generated through the combination of the brains of smart people, the creativity of entrepreneurs, the utilization of innovative platform technologies, and the incredible power of information technology.

Some blame the decline of cities on the white-flight that occurred after the urban riots. But we need to remember that those riots were avoidable and, therefore, that there was something more fundamentally off, leading to a situation where white-flight became desirable. While cities attracted people of all races, they certainly appeared to have missed the opportunity to work out innovative arrangements where diversity was perceived as an asset, and the problems facing one segment of the population were perceived as common problems.

American cities had the potential to anticipate the problems of the 1960s and 1970s if they were built on the notion of sustainability and had the resilience to accommodate dissent. Given the usual level of foresight that Americans direct toward important problems, it is difficult to explain away the problems of the ‘60s and ‘70s on the basis of oversight. My more plausible explanation is that we never took the time to design and conceptualize our cities in the first place. Despite all the planning by planning professionals, it appears that our cities just happened organically or were planned in a reactionary, as opposed to proactive, way.

Much of the writing about the decentralization of cities has focused on what scholars have referred to as “push” and “pull” factors. Push factors are those things that are inherent in cities, and that encourage urban dwellers to seek other places to live in. Examples include higher crime rate, inadequate quality of education, racial distrust and high direct cost of living. Pull factors include the desire for open space, the quest for better-quality schools, the absence of racial cohesion, avoidance of traffic, newer amenities and limited incidents of crime. Regardless of the nature of the push or pull factors, which actually appear to be symptoms rather than real causes--it becomes clear that in few places in American history does one find reference to city vision, city purpose and city strategies, until the profession of planning began to evolve in the public and academic landscape. Is it the case that we built it first, and then determined that we needed planners? It becomes very clear that not much thinking went into the concept of cities, at least at the national level.

However, suffice it to say, that if cities had maintained their integrity in the first place, perhaps their decline would not have occurred. So, declining cities have much deeper significance with respect to foresight. One can ponder about vision, but perhaps more relevant is what element(s) was powerful enough to shift the paradigm to the point where consistent long-term decline became possible.

In a nutshell, cities declined because the economy started to change. Perhaps the old paradigm of growth did not continue to hold true everywhere. Perhaps what people were looking for in life started to change, and cities no longer offered the best opportunities for such things. Perhaps the positive reaction of people to cities of the past no longer holds true. Perhaps highways created a new environment, whereby the assets that made cities so prominent could easily be accessed from elsewhere and at low cost. Then, obviously, something fundamentally changed with respect to cities that resulted in many of the visible outcomes that have been witnessed since the peak era of American cities, the early 1950s.
The declining trend, which started in the 1950s, continues in many cities today. Given the range of push-and-pull factors, and the fact that many of these themselves are indicators of a system disequilibrium, it is evident that the decline did not quite conjure significant policy intervention. The nation certainly had a vested interest in thriving cities, considering our interests even in some of the most remote parts of the world. The decline of American cities is too significant to explain on the basis of oversight.

Some of the explanations for such gross oversight are that the shifting population itself created alternative place interest groups who perceived the boom in places away from cities to be beneficial. The rise of townships and other distant places and the relatively rapid growth in the political clout of non-urban areas have been used as explanations for why the decline of cities eluded our public policy. Another explanation is that the nation was coming off such a long period of prosperity that we simply didn’t know what to do in an environment of a national economic slowdown. Yet another explanation is that we had no arsenal in our toolbox and, therefore, decided to sweep the issue of declining cities under the rug.

Whatever the explanation, the shrinking city–phenomenon is obviously persistently problematic. Clearly, given the price that society has paid to position our cities, the lack of foresight has cost the nation plenty. This happens when an issue as phenomenally important as cities is overlooked. How we deal with our cities from now on may well define our future prosperity, given the linkage between cities and national economic performance.