Locality and Community in the Politics of Local Economic Development

Kevin R. Cox and Andrew Mair

Department of Geography, Ohio State University, Columbus, OH 43210

Abstract. Concomitant with the contemporary restructuring of local economies in the United States has been a distinctive local politics: one which revolves around a competition among localities rather than conflict within them. The role of the local dependence of various actors is explored with a view to explaining this politics. Some firms are locally dependent and form business coalitions to stimulate investment in their local economy. They attempt to harness the powers of local governments, which are susceptible as a result of their own local dependence. Subsequent local economic development programs often pose threats to people in their workplaces and living places and elicit opposition. To overcome this opposition, business coalitions attempt to promulgate a shared interest in a local community. This interest is extended to include threats to the local community implied by the economic development programs of business coalitions elsewhere. The local dependence of people makes them receptive to this argument.

Key Words: locality, community, local dependence, local business coalitions, local politics, local economic development, economic restructuring.

The contemporary restructuring of the space-economy in the United States is leading to rapid changes in the structures of local economies. Some places are affected by deindustrialization (Bluestone and Harrison 1982), while others are experiencing rapid economic development (Soja et al. 1983; Warf 1987), and still others are subject to great swings in their fortunes (Feagin 1985). Not surprisingly, these restructurings are accompanied by a resurgence of interest in planning local economic development as a means to assure some role for each locality in the future space-economy (Bingham and Blair 1984; Ryans and Shanklin 1986). Associated with these initiatives, the politics of local economic development has assumed a peculiarly territorialized form, in which “competition among localities” assumes primacy. At the same time, contemporary restructuring appears to have generated little in the way of social movements formed to contest it (Fainstein and Fainstein 1985; Metzgar 1980), despite the manifest social problems that accompany both economic decline and growth (Harrison 1982; Sassen-Koob 1986; Saxenian 1984; Warf 1987).

Our objective is to examine the contemporary politics of local economic development, in particular the competition among localities and the muted levels of conflict within them. Central to our argument is the concept of “local dependence.” We first explore in some detail the idea of local dependence, which signifies the dependence of various actors—capitalist firms, politicians, people—on the reproduction of certain social relations within a particular territory. The local dependence of firms can lead to formation of local business coalitions to promote local economic development. Local government institutions too are locally dependent and have an interest in local economic growth. People are also locally dependent in various ways. Second, we discuss potential conflicts among these locally dependent actors over local economic development. While local dependence is revealed to be one root of the antagonisms, at the same time it provides a basis for the suspension of conflict in favor of a solidarity within each locality: a solidarity that can then be turned against the locally dependent in other localities. Next, we argue that business coalitions composed of local firms attempt to ward off opposition to their plans for local economic development.
development by forging a consensus based on
the co-optation of their potential opponents,
a consensus in which the politics of restruc-
turing local economies is conceived of as a
competition among "localities" rather than as
struggle within them. Finally, we show how the
precise arguments made in the process of
building consensus, and their acceptance, are
premised on the particular forms in which peo-
ple are locally dependent.

Although the empirical focus of this paper is
restricted to contemporary events in the United
States, the overall approach is applicable to the
politics of local economic development in gen-
eral. We elaborate on this point in our con-
cluding comments. The idea of local depend-
ence is also applicable to a broader array of
substantive interests, including industrial ge-
ography, labor mobility, the local state, and the
micro-geometry of social life. As such, local
dependence promises to be a useful concept
in economic, political, and social geography. It
also has the potential to transcend these intra-
disciplinary boundaries to become a core con-
cept for those studying local areas.

The Capitalist Firm and the
Problem of Local Dependence

The capitalist firm depends for its reproduc-
tion upon exchange: certain use values—labor
power, raw materials, etc.—are purchased, and
certain use values in the form of finished prod-
ucts are sold. These exchange linkages have a
clear geographical expression. For many firms
they exist at approximately the metropolitan
scale, thus defining "localities" for each firm; for
instance, local labor markets, supplier net-
works, consumer markets. As a result of its de-
pendence on these geographically-defined ex-
change linkages, the "local" economy may have
considerable significance for the firm, though
the precise scale at which "local" will be de-
defined by each firm will depend upon the geo-
graphical spread of its exchange linkages.

Under capitalism localized linkages are un-
likely to remain stable. The inbuilt and insistent
general urge towards profit maximization with
which capitalism is associated promotes a rest-
less search for new, more profitable ways of
producing and circulating exchange values.
These may entail spatial restructuring, that is,
the establishment by some firms of exchanges
with new suppliers and customers in other
places, which, in turn, may require a complete
relocation. The consequent disruption of pre-
vious exchanges may sever the flow of values
on which other firms depend.

A firm may be able to adjust quite easily to
a changing geography of value flows by sub-
stituting new suppliers for old or relocating it-
selves if they cannot be found within a certain
distance. Yet in some circumstances it may be
more difficult to adjust. Built environment in-
vestments often represent very large capital
sums that are only amortized over long periods
of time. Given the spatial dynamism inherent
in capitalism, it is by no means certain that the
value locked up in these facilities will be real-
ized through their productive use and suc-
cessful devalorization. The firm with geo-
graphically limited built environment
investments is therefore dependent upon the
health of a particular local economy: it is locally
dependent. Local dependence is important be-
cause it is a potential obstacle to a firm's ability
to appropriate enough circulating values for its
reproduction.

Classic examples of local dependence re-
sulting from the spatial immobility of built en-
vironment investments are provided by public
utility companies and finance institutions in the
United States. Public utilities are highly capital
intensive, and realizing the values locked up in
fixed gas lines, power stations, etc., requires the
reproduction of a particular spatial pattern of
customers who will provide the utility's value
inputs. Financial institutions likewise have an
interest in realizing values invested in the built
environment, if at one remove. A savings and
loan company has money invested in home
mortgages, the retirement of which depends
upon preserving existing patterns in the flow
of value (particularly those from employers to
employees). Since both financial institutions and
public utilities have historically been limited by
law in the United States to operation in cir-
cumscribed areas, they are highly locally de-
pendent.

In other cases firms may be locally dependent
for reasons having nothing to do with the im-
mobility of built environment investments. Lo-
cal dependence may result from a certain non-
substitutability of localized exchange linkages
when it is advantageous that buying and selling
relationships be characterized by stability over
time, The development of predictability, trust, brand loyalties and unique local knowledge all encourage stable relations with particular customers and suppliers in particular places; likewise the establishment of relations with government officials that are often necessary for commodity exchange to occur.

The disruption of stable, recurrent relationships may involve substantial opportunity costs and a loss of competitive edge. Relocation may prove out of the question due to the non-substitutable nature of the relations involved. For instance, it remains difficult for a local realty firm or independent insurance agency to move to a new town to set up business, since each depends on relations with particular customers in a given locality. The firm requiring a specialized labor-force may be similarly constrained. (Compare Stacey et al. 1975, 27.) The local newspaper company, dependent on the brand loyalty of readers and advertisers and operating in a set territory, is one of the clearest cases of a firm that is locally dependent as a result of geographically limited and non-substitutable commodity exchanges.

The degree to which a firm faces problems associated with local dependence can be reduced. For example, it is now common to externalize the risks of investing in the built environment by renting factories, office buildings, and stores. Since the early days of industrial capitalism, employers have withdrawn from employee housing provision. Many of the functions to which firms previously had to commit immobile capital that could only be recouped over the long term have become government responsibilities, an example being the provision of much fixed infrastructure (a more prevalent phenomenon in Western Europe and some newly industrializing countries than in the United States). Also, franchise operations, which mitigate the problems entailed by a specifically local, non-substitutable market, have evolved in sectors such as retailing, restaurants, law, travel agencies, and "handyman" operations.

Multilocationality is another means for individual firms to attempt to reduce their local dependence. Multiple locations spread risk. The geography of value circulation may change, but the more widespread the firm's investments, the less is the likelihood of total loss. Multilocationality has become prevalent for many industrial firms during the twentieth century, often through a process of takeover, and has had the effect (sometimes clearly intentional, as with dual sourcing) of diversifying risk. A similar spatial diversification of risk can be seen today within metropolitan areas where chain stores locate in a number of different neighborhoods. A very explicit and strategic example of geographic risk-spreading occurs when property companies buy "portfolios" of investments that are scattered throughout the country.

Strategies such as these are aimed at escaping the problems associated with local dependence. Yet whatever strategies a firm chooses, local dependence per se will not go away. The firm that rents facilities transfers its local dependence to the owner of the property. Rather than making a firm independent, multilocationality is merely a temporary and scale-specific remedy. It only reconstitutes local dependence at some broader geographical scale; the firm may exchange its metropolitan-scale local dependence for a regional or national-scale dependence. Just as immobile capital investments are necessary to capitalism (Harvey 1982, 379-80), local dependence appears to be a necessary attribute of the capitalist economy.

As an alternative to trying to escape local dependence, firms may therefore try to confront it by intervening directly in the local economic development process in order to protect, enhance, or create a context of exchange linkages that will benefit them. Public utility companies commonly have their own economic development departments, as did the quintessentially immobile railroad companies of the nineteenth century. Similarly, land developers try to assure the future of their investments in suburban shopping centers by securing the development of housing in the vicinity.

In cases where a number of firms are dependent on the same locality, there are often collective attempts to confront local dependence through the formation of local business coalitions. Like firms with their own economic development departments, local business coalitions try to encourage local economic growth and they develop "accumulation strategies" (see Jessop 1983) for doing so. Chamber of Commerce boosting activities, for instance, are designed to attract into a locality or retain complementary commodity exchangers. More "elite" business organizations in many localities in the United States are created to promote...
local economic growth, perhaps by ensuring infrastructural improvements. To the extent that a local business coalition in one place engages in these activities, other local business coalitions must follow suit or lose out. The result is an escalating competition between "places," or to be more precise, the local business coalitions of firms dependent on different localities, over the location of economic activity.

The degree to which firms are able to avoid the necessity of a more collective project by developing individual strategies may vary according to contingent circumstances. As a result, it is difficult to predict precisely which types of firms will act collectively at different times and places. In a stereotyped view of the composition of metropolitan-scale business coalitions in the United States, banks and public utilities loom large, but this seems to be largely a function of branch-banking laws and obstacles to centralization of ownership in public utilities. As these restrictions are relaxed, presumably banks and public utilities can engage in strategies of multilocationality to reduce their local dependence. They may then be less inclined to participate in the activities of metropolitan-scale local business coalitions.

Harvey (1985, 148–62) argues that local coalitions are inherently unstable. There have clearly been some structured long-term changes in the composition of local business coalitions in the United States. These changes appear to correspond, as might be expected, to the ability of some firms to escape local dependence. The involvement of big industry in urban politics in the nineteenth and early twentieth centuries has been noted by many (see Dahl 1961; Schulze 1961). With the development of national branch-plant structures, large industrial corporations are said to have withdrawn from metropolitan-scale politics (Schulze 1961).

Many of the firms currently involved in collective strategies in cities are the retailers and banks identified by Salisbury (1964), and realtors, insurance agents, construction companies and others concerned with land development (Molotch 1976). Small industrial firms, however, may also be locally dependent at the metropolitan scale. They may be dependent on individual workers and their skills, knowledge, and idiosyncracies, so that labor turnover will be undesirable. Sub-contracting relationships may also tie the small industrial firm to a particular locality. But even larger industrial firms, to the extent that their operations are concentrated in one location, may feel impelled to intervene in local economic development issues. Silicon Valley electronics firms, confronted by labor scarcities as a result of housing and transport problems attributable to land-use "irrationalities," formed their own local business coalition, the Santa Clara Manufacturing Group (Trounstine and Christensen 1982). The intent of this coalition was to work through county government and ultimately to alleviate labor cost problems.

Particular strategies developed by local business coalitions are also subject to change. For instance, it is substantially less likely today than in the early twentieth century that complementary manufacturing industries will be prized and sought after by contemporary business coalitions. The production linkages of industrial branch plants to local firms are recognized as often minimal, so the value flows to be gained by many firms if the locality acquires branch plants are negligible. What are often sought are corporate headquarters, which it is hoped will forge links with local banks, lawyers, construction interests and so on, or research firms with highly-paid employees able to buy local commodities (housing in particular). Developing a coherent strategy may be a conflictual process given the disparate individual needs of firms dependent on the same locality. A local land developer may welcome a new industrial plant if it increases housing demand, whereas a manufacturer in the same locality might be opposed if it alters favorable labor-supply conditions (see Goldman and Luebke 1985).

To summarize, the primary interest of locally dependent firms is in defending or enhancing the flow of value through a specific locality: the territory that defines for them a geographically circumscribed context of exchange relations critical to their reproduction, and that, for reasons ranging from the immobility of their built environment facilities to the non-substitutable character of their exchange relations, is difficult to reconstitute elsewhere. Locally dependent firms engage in collective strategies via business coalitions in order to realize their common interests in a particular area, interests that are antagonistic to those of locally dependent firms in other places.
Locally Dependent Firms and State Intervention

Locally dependent firms often attempt to harness the state in their pursuit of a healthy local economy. The enhancement of "local business climates" by local states has been especially important. Particular policies have ranged from tax abatements to subsidizing the cultural amenities of the locality. Business coalitions have also encouraged numerous local infrastructural and redevelopment projects by state institutions to make localities more attractive to investors, for example, highway schemes, urban renewal, large scale rezonings, water and sewer extensions. The powers available to the state have often been crucial to the success of projects. As Judd argues of urban renewal programs in the 1950s and 1960s:

The coercive power of the state was a necessary ingredient for a successful redevelopment effort. Public authority was, in the first instance, called upon to officially designate an area as "blighted" and thus make it eligible for federal redevelopment funds. The government's power of eminent domain was a critical factor in the land assembly operations. Also, the unique ability of local renewal agencies to receive the necessary "write-down" subsidies and loans from the federal government made local officials and agencies indispensable to businessmen who wanted urban development (1979, 272-73).

The powers of the state are valuable instruments in the competition among business coalitions in different localities. Local states, however, are by no means neutral institutions simply and instrumentally controlled by business coalitions. Local state institutions are active on their own behalf because they too face problems of local dependence. They depend upon a local tax-base: a fiscal local dependence analogous to the firm's non-substitutable local commodity exchanges. In a spatially restructuring economy, this dependence can become highly problematic, and has been partially causative of some well-known cases of fiscal crisis. Local states, like firms, also have concerns deriving from the immobility of their built environment facilities. In particular, they are responsible for capital works (bridges, highways, schools, fire stations), which represent long-term investments financed by bonds. Whether or not the bonds can be paid depends on the possibility of either squeezing or enhancing the local tax base sufficiently.

The fiscal problems of local states have been mitigated by the growth of inter-governmental grants. Grants from the federal government to the large central-city municipalities have been especially important. Indeed, lobbying for such grants can be interpreted as an attempt to escape the problems of fiscal local dependence. Recent cuts in federal funding associated with the "New Federalism" have intensified their problems of local dependence.

As with the firm, to the extent that local dependence cannot be escaped, it must be confronted. Local states are therefore highly susceptible to the arguments of local business coalitions for even more infrastructural investment and public subsidies that will promote further rounds of private investment and in turn, it is hoped, increase the tax base. With federal grant cutbacks during the 1980s there has been a resurgence of local "private-public" cooperation in cities designed to enhance local economic growth (Bingham and Blair 1984). (For an earlier example, see Tabb 1982.)

As a consequence of these "private-public" alliances, where the local state ends and private firms begin is often very obscure (see Barnekov and Rich 1977). Local economic initiatives are pushed by a variety of commissions and committees on which sit representatives of local states and locally dependent firms. Their objective is to promote growth on behalf of a particular territorially defined constituency, from an historic city block to the whole metropolitan area. Out of their deliberations and initiatives there emerge both state initiatives that will facilitate shared goals and the more long-term planning strategies within which particular projects can find justification. Thus the salvation of the nation's central cities was the goal of the urban renewal programs which were promoted by both central-city real estate interests and local states between the 1930s and 1960s (see Friedland 1983; Mollenkopf 1983; Weiss 1980). A contemporary case in point is the congealing of post-1970 growth initiatives in many central cities around the concept of a corporate-center or post-industrial city strategy. As Fainstein and Fainstein describe this:

During the fifties and sixties local states showed incoherence in the forms of investment and sectoral expansion they wanted. By the mid-seventies,
however, a more integrated vision had emerged, though by no means one every city could realize. Accumulation priorities now included expansion of white-collar industries, high technology manufacturing, and bourgeois consumption services. Every city wanted to be a world (or national, or at least regional) corporate headquarters center, with a central business district of office buildings, specialized shops and restaurants, hotels and luxury apartments (1983, 253).

Other contemporary strategies include the creation of local “silicon prairies” and “silicon bayous,” “polymer valleys,” and retirement resorts (see Molotch and Logan 1985).

The Local Dependence of People

Thus far we have looked at the problem of local dependence from the standpoint of firms and local states and have described their joint activities. But people can also be locally dependent. Personal social interaction usually takes place in a localized spatio-temporal context. Everyday life is situated. Children attend particular schools at particular times. Mutual aid is with particular neighbors. People attend particular churches at particular times. These practices tend to get routinized, and for very good reasons. Once settled, they not only facilitate realization of individual ends, but in addition they create a world of predictability and confidence. There is then resistance to change, including spatio-temporal change (Marris 1975). Regardless of the precise social relationships at issue, therefore, there is a material basis for people to be locally dependent.

According to the types of social relationships involved, this local dependence for people may assume a “traditional” or a “modern” form.6 Each individual’s local dependence will likely derive from some combination of these forms. Traditional social relations, those of family, ethnicity, religion, etc., define not simply a sphere of predictability and confidence, but also sources of self-identification, means through which the individual achieves self-understanding. Traditional relations are experienced as ones of cooperation, reciprocity, and a balancing of obligation and authority which, on the one hand, depend on a pervasive empathy, and on the other hand create a strong sense of personal significance. They are incorporated into an interpretive framework of traditional wisdom and values which defines them as right and just and which provides a continuing motivation to their reproduction.

Under certain spatio-temporal circumstances these relations may provide the basis not simply of a strong identification, but of a strong identification with a particular locality. In relatively isolated single industry communities, interaction is commonly channeled through some few interaction sites, or locales (Giddens 1981, 39, 45): the mine or plant, the union hall, the church, the bar, the neighborhood and the home. These locales are the major contexts in which knowledge and experience of the world is gathered, common awareness engendered, and common meanings imputed (Thrift 1983, 40). In these contexts people become aware that in their relationships as kin, co-ethnic, co-religionists or as participants in a traditional social hierarchy, they are not simply acting as family members, church-goers, etc. but as locals. It is only by being in the particular place that they can exercise their (traditionally defined) roles. That place acquires a strong and positive salience. This is the root of the traditional form of local dependence.

The prevalence of traditional local dependence is a function of what Urry describes as the degree to which more generally the social relations within civil society are based on the “local community” rather than on either commodity relations or the state . . . . The consequence of such a community structuring of the local civil society is to produce communion so that one’s neighborhood has an emotional meaning derived from the people who live there and from the mutually supporting ties of trust, friendship and reciprocity within that local civil society (1985, 40).

In these terms one can understand the strong local identity often imputed to mining towns and other one-industry towns or to urban ethnic enclaves.

This traditional form of local dependence presupposes the reproduction of “traditional” social relations. Hence, with the decay of those relations, traditional local dependence loses its material basis. Many traditional social relations have been displaced precisely by the commodification and state intervention that Urry argues are inversely related to what we call traditional local dependence. Commodification has reduced social relations to ones of commodity exchange, apparent in wide areas of social life: entertainment, neighborhood, information, housework, and housing itself. State
intervention into many aspects of life has proceeded alongside commodification. The growth of the welfare state in all its forms, housing, unemployment compensation, education, social security, and health care, is an important aspect of this, as are such diverse interventions as land-use planning and Keynesianism.

The minimal security provided by the welfare state, together with insertion into commodity markets, has led to declines in the importance of family, religion, authority, ethnicity, and neighborhood, as the material functions of these traditional social relations have been sidelined. Old principles of social organization, those of gender, of old to young, of ethnic solidarity, and of parents to children, have lost their social force. They have been replaced by new principles of organization and legitimation, particularly those of career and workplace stratification (Mills 1951), material consumption (Ewen 1976), and status in general (Packard 1959), all of which are more compatible with the expansion of capitalism (Aglietta 1979).

That the material foundation of local dependence of the traditional sort has been much weakened has not, however, meant the disappearance of local dependence for people. For the situatedness of social interaction remains, providing an important basis for the conservation of localistic impulses. This situatedness, in combination with the pursuit of career, material consumption, and status, creates what we term the modern form of local dependence. Employment is at a workplace and consumption takes place in a living place or within a short travel time of it. Precisely where those locations are is initially a contingent matter; they depend upon the location of the hiring firm, whom one chooses to live with, housing vacancies, etc. But although initially contingent, the workplace, the living place and the particular spatial system of everyday life which they jointly constitute tend to acquire for people a certain necessity. At the workplace this necessity may be a matter of firm-specific practices and structures that the individual employee gets "locked into": the availability of flextime or day care facilities or a particular career ladder and promotion procedures not replicable elsewhere. Person-specific relations develop that are significant to realizing career or work goals but which are not portable. Likewise, the specific social relationships constructed around the living place tend to become difficult to reconstitute elsewhere. Children "settle" into schools and a move is experienced as dislocating. Baby sitters are located, as are parks, athletic clubs, insurance agents, stockbrokers, tax accountants, car parking, travel agents, doctors, dentists, pediatricians, and the spatio-temporal routines necessary to use these services. Within capitalism, people, like firms, construct relationships that are difficult to substitute and therefore difficult to replicate elsewhere. In addition, the growth of homeownership has led to a local dependence for people analogous to that of firms with built environment investments, since maintenance of a healthy local economy is necessary to the maintenance of property values.

This modern form of local dependence ties people to localities, though with less force than traditional local dependence. Traditional local dependence entails such important matters of identity and self-understanding that any change in location is experienced as a threat to the self. In contrast, for those who experience local dependence of the modern sort, personal identity is less threatened by mobility, since identity is derived from career, material consumption, and status, which, given the geographical spread of capitalism, may be attainable in a number of places. Nevertheless, modern local dependence does place limits on mobility.

Conflict over Local Economic Development

Given the local dependence of people, they, along with local firms and local states, may well find restructuring in the space economy problematic. Indeed, the spatial fluidity of the economy, and equally the strategies undertaken by business coalitions and local states to channel that fluidity to their members' advantage, can have serious implications for locally dependent people. Deindustrialization creates unemployment and new growth may replace well paid jobs with ones paying low wages. Highway schemes may displace residents; an expanded airport may raise levels of noise pollution; tax abatements for new construction may effectively raise the tax burden imposed on citizens; and new local taxes may be needed to subsidize convention centers. These costs are potential sources of public criticism and controversy.

Opposition to these various forms of local
economic restructuring is particularly likely to the extent that a class consciousness governs how people interpret them. There have certainly been class-based responses to spatial restructuring in the United States economy. A class politics of the economic restructuring of territories, rooted in the workplace, has been most prominent in the United States at the regional scale, in the so-called Sunbelt-Coldbelt issue. This class perspective, promulgated in particular by some fractions of organized labor, views relocation of economic activity, and particularly manufacturing industry, as simply one more strategy by which capital attempts to enhance its domination over labor (see Clark 1981 and Peet 1983). Labor counter-strategies including legislation to impede manufacturing plant relocation, organizing labor in the Sunbelt, and control of union pension fund investments (see Rifkin and Barber 1978) are predicated on such a view.

At the local scale the deindustrialization and accompanying losses of industrial jobs that have affected many working-class communities since 1970 have given rise to some class-based responses. The beginnings of a class politics of local economic restructuring, emanating from the workplace, have been apparent in cities like Detroit, Pittsburgh and Youngstown. Tensions have emerged in debates over just what form renewed local economic growth should take. Local social movements in some places have proposed recapitalizing their localities through reindustrialization, often with worker-ownership (on Detroit see Luria and Russell 1982; on Youngstown see Lynd 1983). An alternative coalition may be formed, one that incorporates neighborhood shopkeepers and merchants.

This type of class-based response in defense of old industrial jobs and their accompanying sense of community sits uncomfortably by the side of the projects of local business coalitions. While local business coalitions may support a drive to oppose plant closures, they are just as likely to be interested in bringing in new activities which will diversify the economic base, reducing uncertainty about the future by providing opportunities for expanding markets. They may be substantially less interested in reviving an older industrial base with a very uncertain future. Local business coalition members also may be troubled by a class-conscious local environment, for good labor relations and a generally quiescent local population are viewed as important elements in a locality’s business climate and hence in its attractiveness to outside investors. Local acts of militancy may therefore generate substantial concern among business coalition members. Under these circumstances the projects of locally dependent workers are likely to run afoul of those of the local business coalition.

The case of Pittsburgh provides a clear example of the conflicts that can arise between a local business coalition and locally dependent workers. Corporate and political leaders in Pittsburgh have concentrated their attentions on a downtown revitalization that in 1985 earned it the label of America’s “most livable city.” Yet workers in the steel mills surrounding the central city have been faced with mounting unemployment as successive plant closures have taken their toll. Workers and church activists belonging to the Denominational Ministry Strategy (DMS), a “network of activist ministers and unionists,” undertook acts of civil disobedience during 1985 to press local business and local state leaders to pay attention to unemployment among steel workers:

The activist offensive comes while civic and business leaders here are eagerly touting a “Pittsburgh renaissance.” The city, trying to shuck its “smokestack” image and welcome corporations to make their beds here, was buoyed last spring by a publisher’s survey that ranked Pittsburgh “the most livable city in America.” Almost immediately, billboards emblazoned with “Pittsburgh: No. 1 City” cropped up across the countryside. But DMS holds hostage a favorable image of Pittsburgh, the Rev. Mr. Roth said. “They can have their image back as soon as they deliver for the people” (Marquis 1985, 36).

Troublesome resistance to business coalition strategies arises not only from class-conscious workers. It may also appear in the form of local social movements rooted outside the workplace. Many of the local movements that contest the projects of business coalitions practice displaced forms of class struggle organized around living place and neighborhood issues. These may provide significant “popular-democratic” opposition to business coalition schemes. An example is DARE (Detroit Alliance for a Rational Economy) which emerged during the late 1970s to combat the plans of the De-
troit business coalition. A citywide multiracial movement based on community organizing principles, DARE opposed tax abatements for General Motors, subsidies for the downtown Renaissance Center, and the dislocation of inner city residents by urban revitalization schemes (Jacobs 1982).

More commonly, urban social movements in the United States have been populist in character, grouping together residential taxpayers and small businesses. There may be attempts to impose suburban subdivision exactions on developers, or opposition to tax abatements from residential taxpayers and from small businesses (in the latter case concern is based on the supposed unfair competitive advantage received by new businesses). Urban renewal was also a major bone of contention for small businesses, as a result of its devastating impacts on clienteles and of the displacement of small businesses themselves (see Zimmer 1966).

The local state is likely to become embroiled in all these various conflicts. The positions of politicians and appointed bureaucrats depend not only on the local tax base but also on the support of citizens at the ballot box. The local state thus has a twin local dependence, one part economic, the other part electoral. Electoral local dependence can provide leverage for class, popular-democratic and populist movements alike and may prove highly problematic for business coalitions. As a result, the local state may become a battlefield between the business coalition and class or popular-democratic movements (Esping-Anderson et al. 1976). Each side struggles to impose not just its policies but also those local state institutional arrangements, for example, at large versus ward-based electoral systems; directly elected versus appointed rent, water and sewerage boards, neighborhood commissions, downtown redevelopment commissions, etc., that will make the local state more dependent on them. On the one hand, local business groups have attempted to systematically remove from public electoral influence those branches of the local state concerned directly with economic development (Friedland et al. 1977). On the other hand, there are pressures in the other direction, with moves towards popular control, via the ballot box, of rent boards, planning commissions, etc. (see Clavel 1986).

**Local Business Coalition Responses: The Forging of Local Community**

Class, popular-democratic, or populist movements organized around either workplace or living place issues can thus provide a serious challenge to local business coalitions. Some responses from business coalitions are of a confictual nature, such as the restructuring of local state institutions discussed above. More common today are attempts to create "hegemonic projects" (Jessop 1983) by co-opting the opposition into supporting business coalition strategies. The success of these attempts at co-optation depends upon people themselves having interests that business coalitions can address and hence upon the form in which local people are locally dependent.

Class-based opposition to business coalitions is likely to be strongest in places where people have a high degree of traditional local dependence. It can be argued that traditional local dependence provides a necessary, though by no means sufficient, condition for class consciousness. As Meiksins (1986), Urry (1985), and Walker (1985) have stressed, class is a social structure whose empirical expression in the form of meanings, practices, and institutions is a contingent matter. Whether or not working class people will possess a working class consciousness, engage in class practices and form labor unions, their own political parties, and cooperatives, depends upon the presence of other, enabling social structures in which people find a sense of community that can sustain them. In this context the constitution of local community by traditional social relations has proved important (see Alt 1976). Accordingly, where a significant measure of traditional local dependence remains, a higher potential may exist for class-based conflict between business coalitions and local people over the appropriate response to deindustrialization, attracting new industry, and the local business climate.

Even in those places in the United States where people still retain a high degree of traditional local dependence, reproduction for most of them is formally subsumed under capitalism (see Marx 1977, 1019–48) since wages are necessary and these depend on employment in capitalist firms. This condition provides
substantial leverage for business coalitions because, with deindustrialization, come threats to the reproduction of working class communities. The high degree of traditional local dependence makes it hard for people to move, yet they must have jobs. In this context business coalitions attempt to reconcile their own strategies with the needs of local unemployed workers by touting the jobs that will be created if the strategies are followed. As Molotch argues:

Perhaps the key ideological prop for the growth machine, especially in terms of sustaining support from the working class majority . . . , is the claim that growth "makes jobs." This claim is aggressively promulgated by developers, builders and chambers of commerce; it becomes a part of the statesman talk of editorialists and political officials. Such people do not speak of growth as useful to profits—rather, they speak of it as necessary for making jobs (1976, 320).

The argument that business coalition strategies will best create needed jobs finds increased acceptance as a result of the problems facing proponents of alternative strategies, given the wider economic context in which local people are situated. While people remain tied to traditional communities, many branches of capital have transcended such localization (Urry 1983, 39–40). The locational power of some capital means that class-based responses from people may seem inappropriate, even self-defeating. Attempts to restrict the mobility of capital through militant actions and plant closure laws may adversely affect the local business climate and therefore the possibility of new jobs. As Bluestone and Harrison put it with respect to legislation to deter plant closures:

Management's standard threat is that it will stop expanding operations in states that pass legislation regulating the mobility of private capital. Moreover, it argues, no new companies are likely to build in such places (1982, 240).

This argument is precisely what Pittsburgh's militant activists faced:

By bruising Pittsburgh's image as a desirable place to work, critics say the Denominational Ministry Strategy exacerbates unemployment. "They're keeping out the very people who might be able to bring hope"/according to a U.S. Steel spokesperson/ (Marquis 1985, 36).

In consequence, local working class organizations may have little recourse but to support business coalition projects in the hope that they may at least provide some economic relief to those unable to move elsewhere. The promise of jobs may even allow formal co-optation of labor union leaders into alliances with business coalitions (see Friedland 1983). Construction union leaders are often persuaded to support downtown redevelopment projects with promises of employment for union members in return for no-strike agreements. The reduction of local labor militancy through cooperative arrangements is sometimes seen explicitly as a means of promoting local economic development; The Journal of State Government (Vol. 60.1, 1987), by way of illustration, carried a set of articles under the title "Labor-management relations: a new economic development tool."

Various means exist by which local business coalitions can deal with class-based opposition. But class-based responses have been geographically uneven. Part of the explanation for this unevenness has to do with variations in the form of the local dependence of people. Working-class consciousness tends to be highest in the older industrial centers where traditional community relations have been maintained, and dissipates as traditional forms of community are displaced by commodification and state intervention. This displacement has reduced the basis for class-based opposition. It has also had another important effect, in that the decline of traditional forms of community has opened up a further "window of opportunity" for business coalitions seeking to co-opt potential opposition.

The transition in modes of self-identification from traditional to modern is not an easy process for participants because it is riddled with ambivalences. While there are opportunities and potentials implicit in the universalizing processes of commodification and state intervention, the security of closely bonded community relationships is lost. Mediated in their social relations by both pervasive commodity exchange and relations with state bureaucracies, people experience themselves as detached from local worlds distinguished by localized practices and meanings. They find themselves, whether they like it or not, having to relate to the world as a set of relatively homogeneous stimuli insensitive to particularity. On the one hand there is the advance of the universalizing and the abstract, uncertainty and insecurity, and on the other hand there is the retreat of the particularizing and the concrete,
certainty and security. These tendencies are felt by some people more than others, but are likely to be felt by all to some degree.

The relativism entailed by social relations of commodification and state intervention poses a severe threat to ontological security (Giddens 1981, 152–55). One response is hostility towards the universalizing institutions. The welfare state, absentee-owned corporations, and national labor unions are seen to threaten the remnants of intrinsically local meanings through their insensitivity to local susceptibilities, preferences, and modes of feeling (see Vidich and Bensman 1958, 102–3). Another response is a search for meanings that can restore coherence to lives and secure identities. Value systems derived from the universalizing institutions themselves, career, material consumption and status, play an important role in providing for renewed personal meaning. The appeal of nationalism can be partly understood in the context of the search for renewed ontological security (Anderson 1983; Giddens 1981, 194).

The ideologies of nationalism indeed often incorporate the remnants of traditional localistic value systems (Wright 1985, 84).

The decline of traditional social relations and consciousness has thus left a potentially alienating void in self-understanding and in related concepts of community. The void in individual self-understanding (how people are separate from one another) has been partly filled in the successful pursuit of career, material consumption and status goals. The void in the sense of community (what people share) has been partially resolved by the emergence of the nation state as a mode of cultural integration. In addition a gap has been left in which the local business coalition can intervene with the aim of providing legitimations for its own interpretations of community. That gap is in the definition of community at the scale at which everyday lives are lived, which is also (and not uncoincidentally given the spatial organization of labor markets) approximately the scale at which local business coalitions operate.

Local business coalitions attempt to recast concepts of local community in a form that better suits their needs. In this process, local people are addressed by members of the local business coalition and its local state allies, whether local corporate leaders, politicians, newspaper editors, or other worthies, as residents of a particular locality, as members of a local community. Everyone in the locality is said to belong to this community. All sorts of events, economic, political, cultural, “human,” are filtered according to their relevance for the locality. Local media evaluate events according to the advantage or disadvantage they imply for the locality. But why is advantage accruing to a locality good and local disadvantage bad? Over and above any advantage or disadvantage to individual locals, the reason is said to lie in the local community as a worthy community, as the realization of an idea, as an exemplar of widely held values; held, that is, beyond the confines of the locality. The local community is presented as a caring community, a producer of brave men, of great men and women, of ideas and inventions. This image suggests, and is intended to suggest, that the local community is worth defending and safeguarding.

In the above context the remarks of the Lynds regarding boosterism in Middletown are especially apposite. They argue that one of the values local boosterism provides is assurance in the face of the baffling too-bigness of European wars, death, North Poles, ill health, business worries, and political graft; the bigness of it all shrinks at a championship basket-ball game or a Chamber of Commerce rally, and the whole business of living in Middletown suddenly “fits” again, and one “belongs”; one is a citizen of no mean city, and presumably, no mean citizen. This glorification of the homely necessities of living is apparent in the exhortation of an outstanding Middletown club woman to a group of children:

“You must have community spirit. You must think that there is no finer town in the whole United States than this. There is no finer school than yours, no finer parents than yours, no finer opportunities anywhere than you have right here. People talk of California where there is sunshine all the year round, but I’ve lived in California, and give me Middle Western rains! I tell you there’s no lovelier place on God’s footstool than this old state of ours” (1929, 486–87).

Here the absolute truth of the local community is reaffirmed. While the relativism that accompanies the broadening of horizons has undermined the validity of localized, particular relations, appeal to supposedly national values can still provide the necessary assurance. It is precisely this appeal that is used in legitimating the value of belonging to the particular locality. Not only is a local form of patriotism thereby fostered, but, as the Lynds suggest, the nationalist impulse is appropriated in the idea that the locality is worthy because it is an exemplar of
national ideals. One is constantly reminded of this sentiment through local celebrations of the national heritage (e.g., Memorial Day, Fourth of July), by the annual competition to be named an All-American City, and even by the use of the local, but nationally recognized, in the naming of streets, parks and buildings. The locality is said to have produced national heroes; it is a reflection of national ideals of self-reliance, charity, achievement, independence, resourcefulness, and modernity; it is, in short, a living embodiment of the national heritage.

But the worthy status of the local community, it is argued, is not secure. None of its achievements is safe in a world where "our community" must jostle with others and in a game where the stakes are constantly being redefined. In the past national visibility may have been secured by some contribution to the national division of labor ("Hog Butcher to the World," "Iron City") but the maintenance of virtue in the modern world may require a new freeway system, a convention center, an expanded airport, or a professional sports franchise. None of this will be possible unless the general economic fortunes of the locality are safeguarded. In the cause of maintaining or improving the status of the locality, sacrifices must be made; we must accept new airport and freeway pollution if our facilities are to match those in other places and we must allow ourselves to be taxed more to fund a domed stadium which will bring us new visibility. The cause is worthy and so is sacrifice on its behalf.

Sacrifices will be necessary. In the business coalition's discourse the local community is depicted as existing within a context of other localities, with which it is in a competition upon which its very existence depends. Events within the locality are interpreted with respect to how they influence these crucial relationships with other localities. Thus subsidization of a sports arena will ensure that our local (rather than theirs) gets the professional sports team. Events in other places are also evaluated: defined either as threatening to the locality (for instance, the closure of a plant by a distant head office, failure to obtain a federal grant towards construction of a development project) or alternatively as beneficial (for instance, a tariff decision favorable to local industry, a decision to locate a high-tech plant in the locality rather than in another). Concomitant with the emergence of these interpretations has been the development of an appropriate language including "spinoff," "tax base erosion," "competition," "attraction of jobs," "fiscal balance with Washington," "business climates," "states rights." This language is used to selectively interpret events affecting the locality in terms consistent with business coalition interests.

A contemporary example of this selective interpretation comes from a recent Ohio State Supreme Court ruling on the workers' compensation (injury at work) law that favored labor. As Figure 1 reveals, it was presented in the media, as well as by the Ohio Manufacturers Association ("OMA" in the cartoon), not in terms of struggle between business and labor, but in terms of what the rulings meant for the state's ability to attract relocating industry. At a time when the State of Ohio was attempting to land the new General Motors Saturn plant, this interpretation acquired considerable force. Concern was expressed that "Ohio's workers' compensation costs may hurt the state's chances of getting the facility" (St. Clair 1985). The issue was posed not in terms of class conflict, but in terms of the competition among states for industry. The Supreme Court ruling had supposedly damaged Ohio's chances in this competition.

The transition from traditional social relations to ones of commodification and state intervention thus brings in its wake an acute sense of loss and a crisis of meaning. Localist ideologies promulgated by the business coalition exploit that feeling of loss by propagating a redemptive sense of identity in which locals as a group are beleaguered and oppressed by the outside world, but can, on the other hand, legitimately demand redress due to their local community's status as worthy and as a paragon of national ideals. Such ideologies provide a reassuring mediation between the particularly local and the universally global; the global is not shut out but neither is it unambiguously embraced.

In the place of the lost community of family, ethnicity, and neighborhood, the business coalition offers the pseudo-community of the locality. To replace old senses of personal significance destroyed by deskilling, the commercialization of culture, and the ubiquitous penetration of commodity relations from far away it offers the vicarious hope of living in a major league or world class city. Under the aegis of the business coalition order can be
brought out of chaos and the reassurances of the particularly-local somehow re-created. The appeal of this type of local ideology is primarily redemptive, but it allows the business coalition to construct a sense of identity with a locality in which our place is pitted against other places in an ongoing struggle, precisely the business coalition's own vision.

The articulation of such localist ideologies is not entirely cynical. In the context of the centralizing impulses of multilocational corporations and the state, members of local business coalitions may share with local people a sense of resentment, loss, and insecurity. They too would like greater local control vis-a-vis the central state and big corporations and a greater awareness of local needs. In the United States these feelings are primarily expressed with respect to the federal government, though also against the whims of distant corporate headquarters. Criticism may well be expressed in terms of the very national ideals of democracy and social justice of which the local community is an exemplar but which the federal government and big corporations are forever violating.

Even with the successful promulgation of an abstract notion that there is a local community, it is still necessary for the business coalition to concretize it around particular issues. For the idea of a local community can always be turned against the local business coalition, which may be criticized as betraying that community. The promise of jobs made to victims of deindustrialization may not always suffice, particularly for those less concerned with the loss of older industrial jobs, but still called upon to make sacrifices like higher tax rates. Herein lies the
value to the business coalition of local dependence of the modern sort. While the creation of a new local community by the business coalition is primarily redemptive in form, the modern local dependence of people makes them susceptible to more instrumental appeals to local community of a tangible and concrete nature. In contrast to the new identities propagated in response to the decline of traditional social relations, this sense of a shared local interest requires no new ideological legitimation. It is an identity that is strictly subordinate to the realization, in concrete, material form, of the abstract and widely shared goals constitutive of the ideologies of personal reproduction in twentieth century capitalism; viz., those of career, material consumption, and status.

Since the particular spatial arrangements into which people must enter in capitalism and which become significant to the accomplishment of these goals remain somewhat resistant to reconstitution elsewhere, there is concern for the local provision of career opportunities, cultural facilities, good schools, etc. To the extent such consumption/status needs as an orchestra, professional theater company, a major sports franchise, shopping malls, and bricked streets figure in the plans of the business coalition they will merit support. Likewise, careers must be protected, so if the local economy is depressed and upward mobility in the workplace is endangered, people are likely to accede to the blandishments of the business coalition. Local business coalitions promise all manner of concrete rewards for supporting their projects. A municipal annexation policy will keep taxes down, or a new opera house will enable status seekers to fulfill their desires, or a subsidized downtown shopping mall will provide for a high-class department store. In other words the appeal of local ideologies to modern locally dependent people is neither in terms of jobs per se nor to them as locals tout court, but to them in their roles as local careerists, local status seekers, local sports fans, local yuppies, or simply a local middle class. The appeal of the idea of a local community is of a highly instrumental nature, depending on the issue at hand.

Concluding Comments

Given the continued heterogeneity of local populations, people in any particular locality will be subjected to a wide variety of propaganda, referring to the status of the locality with respect to its peers, jobs that will be created, and other material rewards, as the business coalition strives to create consent to its strategies. There will be much guesswork designed to hit just the right buttons in the citizenry without straining the credibility of the arguments too far. What works will vary somewhat from locality to locality.

For many economic development projects, support from a voting majority will suffice. But the need for a generally quiescent population in order not to scare off potential investors impels the business coalition to attempt to co-opt as many local people as possible into backing its strategies of competing with other "places" over flows of capital in the space economy. The production of a local community of interest around those strategies is the primary mechanism for accomplishing this goal.

Our explanation of the successful construction of local community around business coalition strategies relies to a large extent on a transition for people from traditional to modern forms of local dependence. This transition itself needs to be explained. The crucial structural forces behind the transition have been those associated with the rise of a Fordist regime of capital accumulation, and its accompanying modes of societal regulation, since the mid-twentieth century (Aglietta 1979). Outside the workplace, elements of the Fordist regime have included the commodification of labor-force reproduction, which has been regulated by both state intervention (on housing see Florida and Feldman 1987) and by new value systems tending towards individualism: career, status and levels of material consumption. All of these changes have promoted modern forms of local dependence at the expense of traditional forms (on suburbanization see Aronowitz 1979, 24).

Forty years of Fordism within the workplace has also had independent effects on levels of class conflict that must be considered alongside the transition from traditional to modern local dependence. Within the workplace the productivity-directed class "accord" reached between capital and labor after the 1930s (Piore and Sabel 1984, 100–3) replaced coercion with consent as a mode of regulation (Burawoy 1985) and made the state responsible for protecting work conditions and full employment. The ten-
To broaden explanation in this manner suggests the heuristic value of contextualizing our argument both historically and geographically. Local business coalitions and attendant “booster” ideologies historically have played a very important role in the United States (Abbott 1981; Atherton 1954; Wade 1959). Boorstin argues them to have been crucial to the geographic decentralization of power (1965, 133-34), while others have lamented the role of that decentralization in thwarting national-scale opposition movements (Piven and Cloward 1982, 85–99; Schattschneider 1960). While urban historians have concentrated on the nineteenth century, another period of importance was the Progressive era (c. 1900–1925), during which there were threats to local business power from machine politics and local socialist organizations. These threats were met in part by structural reforms in local state institutions sponsored by local business groups (Hays 1964; Weinstein 1962). They were also met by the repeated broadcast of ideologies of “civic values,” loyalty to one’s city, and by the local “patriotism” whose apogee was the boosterism that has come to be known, after its fictional champion, as Babbittry (Lewis 1961). And the high point of Babbittry coincided with the widespread spatial economic restructurings and competition among local business coalitions of the 1920s (see McKenzie 1933, 158–70). It would be useful to compare our analysis with studies of defeats of local opposition movements in earlier, pre-Fordist periods when both traditional forms of local dependence and class struggle were more evident.

Comparative analysis on a geographical basis, particularly with Western Europe, might also prove illuminating. There appear to be both similarities and differences between the United States and Western Europe. On the one hand, there are similar processes to those we have described for the United States. In the case of northeastern England Massey refers to how:

Later, with respect to Britain as a whole, Massey draws attention to the way in which, during the late 1970s, the increasing geographical spread of high levels of unemployment exacerbated the specifically spatial competition for jobs, and workers in different parts of the country, defining themselves as workers from particular regions, were thrown into conflict for the few new jobs that were around... Regions are thus set in competition with each other. The example of Inmos/the state-owned microelectronics subsidiary/... for which nearly 100 local authorities competed, was just one of many during this period (1984, 260).

The response in Glasgow, erstwhile center of British socialism, to its current economic crisis is also revealing. The Labour Party-controlled local state’s attempt to produce in Glasgow a “post-industrial” city in the North American style, in explicit competition with Edinburgh, and complete with new ideologies and localist slogans, including “Glasgow’s miles better,” is a clear example of the turn from class conflict to a competition among localities (see Jack 1984).

There are also differences between the United States and Western Europe. The class constitution of many European localities appears more heavily weighted towards labor movements than in nearly every case in the United States. The working class appears stronger and local business coalitions are far less powerful. This situation may result in part from continued high levels of traditional local dependence in some localities (particularly steel towns and mining communities; see Hudson and Sadler 1983) and also from the fact that banks and utilities tend not to be locally dependent (Hart 1983, 12). Oppositional groups have been able to take control of local state institutions in a number of instances (Boddy and Fudge 1984; Jaggi et al. 1977). But with their local economies still tightly bound up with the wider capitalist economy, such opposition-controlled local states still face many of the same disciplines as local business coalitions, viz., the need to provide profitable conditions for local firms (Cochrane 1983; Goodwin and Duncan 1986), and competition among themselves over flows of capital investment and state aid (Eisenchtitz and North 1986; Shutt 1984). Comparative analysis would prove most useful in investigating the applicability of our arguments to different geographical contexts.

In conclusion it seems important to address...
forms are rooted in class struggles and by virtue of the relation between social and spatial structures (Gregory and Urry, 1985). Two related points are worthy of note. The first is that while there will necessarily be a politics of local economic development, its precise form is a contingent matter. Historically identifiable are the distinctly territorialized and class politics we have discussed. Both forms are rooted in class struggles and by virtue of the relation of local dependence are necessarily localized at some scale, but the fact that social relations have essential spatial properties such as local dependence provides a bias in neither territorialized nor class directions. In the case of the contemporary politics of local economic development in the United States, locally dependent firms have tended to prevail, and the outcome has been a highly territorialized politics. While local dependence is a precondition of territorialization, there is nothing necessary about this outcome, and indeed one can find in some localities elements of an alternative class politics pursued by locally dependent people.

The second and related point is that too often in the literature the essential significance of locality and, in particular, its roots in material structures of social relations, have been missed. It is almost a commonplace to talk of refractions of national processes by local processes (Urry 1986), or of the interaction between composition and context (Thrift 1983). The question of why there should be specifically local, regional, or national processes seems rarely to have been posed. To the extent that it attracts attention, locality tends at best to be reduced to those place-specific, non-capitalist social structures which are in part constitutive of what we have termed traditional local dependence. At worst locality is given a merely contingent status, seemingly resistant to more general, coherent levels of understanding.

In our view the broad conception of society and space informing our analysis points a way out of this cul-de-sac: away from the local as unique and resistant to explanation and towards the local as a relation that can be explained in terms of very general processes. These general processes have to do with a central feature of human existence, the contradiction between mobility and immobility. We have concentrated on one aspect of this relation, viz., local dependence. Both the mobility/immobility contradiction and local dependence are expressed through whatever social relations are historically dominant. People thus produce localities through their social relationships over space, and they create them out of the raw materials that are to hand.

**Acknowledgments**

Special thanks are due to Ed Soja, Andrew Sayer, and Jeff McCarthy for helpful comments on earlier drafts. This paper has been written with the support of the National Science Foundation, grant SES-8520094. The authors are equally responsible for its contents.

**Notes**

1. We recognize that a firm may have a set of distinct localities: one with respect to its labor force, another for its raw materials, and yet another for its markets. In order to develop our argument we ignore this complication.

2. In this argument and in a number of other respects our analysis coincides with the pioneering work of Harvey (1982, 419–22; 1985, 125–64).

3. Devalorization is the normal process in capitalism whereby the value locked up in a commodity during its production is passed to its seller (who is said to have realized that value) by its successful exchange for money. The built environment releases its value relatively slowly during its often long, useful life. Note that immobility is relative, not absolute (see Harvey 1982, 420–21). Thus one firm may be more immobile than another, but none will be permanently immobile, though a firm will go bankrupt if it cannot amortize its capital investments. For the sake of developing our argument, we simplify this issue by dividing firms into those that are mobile and those that are immobile.

4. We divide exchange relationships into fully substitutable and non-substitutable in order to develop our argument. There is in fact a range between these extremes, with few if any relationships at either end.

5. Compare Molotch's (1976) “growth machines” and Mollenkopf’s (1975, 1983) “pro-growth coalitions.” Molotch emphasizes the role of landed interests while Mollenkopf emphasizes the roles of politicians and federal programs. We believe that both these conceptualizations are too narrow to inform a more general theory of the politics of local economic development.

6. Use of these terms is not meant to imply a particular theoretical perspective.

7. There are also ethnic and racial interpretations of spatial restructuring, which further complicate the issue. Here we look only at class, the interpretation most threatening to local business coalitions.
8. We would not wish to assert a one-to-one relationship between traditional local community and class consciousness. The traditional local community has also been important as a source of labor control for capitalists. Non-capitalist social relations of rule by a traditional leadership class and paternalism both in workplace and in municipal affairs have provided in certain places a significant basis for class rapprochement. Lloyd Warner has provided one such instance in his discussion of labor relations in Yankee City (1953, 124-47). The shift away from paternalism is one of the social changes noted by the Lynds in Middletown (1929, 70-71).

9. A partial analogy can be drawn here between the transition from "tradition-directed" to "other-directed" behavior in individuals (Riesman et al. 1961) and the transition between what we might call tradition-directed and other-directed places. In the case of individuals, the transition is largely directed by commodity vendors and advertisers who would have people maintain a perpetual sense of personal insecurity (Ewen 1976). In the case of places, it is directed by the local business coalition in order to maintain an ongoing sense of insecurity about just how "good" our locality is in comparison with others.

References


Goldman, R., and Luebke, P. 1985. Corporate capital moves south: Competing class interests and labor relations in North Carolina's "new"


Schattschneider, E. E. 1960. *The semisovereign peo-
Locality and Community 325


