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Introduction

Theories of Urban Development and Their Implications for Policy and Planning

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This book presents a set of readings that analyze the economic, cultural, and political context of urban and regional policy in a variety of locations, with an emphasis on the USA and the UK. It is a companion volume to a book of readings on planning theory (Campbell and Fainstein 2010) but is intended for any reader whose concern is urban and regional development. Thus, it addresses two audiences: first, policy makers, who must understand the context in which they work in order to behave intelligently; and second, people who wish to achieve general insights into urban and regional processes.[1] As discussed in greater detail at the end of this chapter, the readings were selected to address a set of questions concerning the interaction of economy, culture, politics, policy, and space. This introduction discusses the major themes of the readings and presents our viewpoint concerning the determinants and effects of urban form.

Urban Policy and the Urban Condition

At the start of the second decade of the twenty-first century, urban areas are vastly different from the metropolises of a hundred years earlier. The old central cities that still lend their names to metropolitan areas contain a shrinking proportion of regional wealth and population. Although some cities are the command centers of the global economy or nests of technological innovation, others have lost economic function even while they still encompass large populations. Still others have grown rapidly in size without capturing major new economic functions, even while some have enjoyed enormous increases in wealth and productivity. The terms city-region and multi-nodal metropolis describe the now dominant urban form, wherein dense

populations spread themselves across a much wider area than formerly while the rural hinterland becomes depopulated. Regardless of whether political boundaries divide these urbanized areas or not, they constitute integrated socio-environmental and economic ecologies (Ross 2009). Environmental pollution, traffic congestion, racial and ethnic discrimination, and financial crises afflict many urban areas, even those that have been economically successful. Uneven development reveals itself in gentrified neighborhoods adjacent to low-income areas and suburban enclaves of privilege increasingly set off by walls and gates from the communities around them.

The physical disorder and social divisions of urban areas have stimulated calls for reform ever since the Industrial Revolution brought large masses of people to live within cities. Cities are socially constructed, and reformers can pursue strategies that push the edges of the possible, thereby remaking the context of political and social interactions. But the situation of cities at any historical moment limits the range of feasible actions. Existing economic, political, and spatial relations create a web in which those seeking to improve the urban condition must function. Therefore, in addition to requiring a set of techniques, mastery of pertinent information, and entrepreneurship, good policy making demands a deep understanding of what can be done. Numerous blueprints for change have been offered, ranging from the utopian solutions presented by advocates of the garden city to the computer simulations of more recent analysts to the redistributive schemes of equity planners. These efforts, however, have run up against forces that resist the implementation of the reformers' visions. To understand the potential for consciously designed urban change, it is necessary to analyze the elements of the urban milieu and to calculate their malleability.

Context circumscribes policy in three ways. First, it defines priorities. The historical situation in which policy makers find themselves causes certain issues to become salient to the public and therefore to be at the top of the agenda. For example, rural depopulation and rapid economic growth in nineteenth century Europe and America combined with labor exploitation to generate overcrowding and disease within the industrial city. These conditions, in turn, stimulated demands for sanitary regulation, housing codes, and parks development and made these the object of governmental action. After World War II, the release of pent-up consumer demand combined in the USA with political support for home ownership to produce extensive suburbanization and hence the need to develop transportation, education, sanitation, and other services for new suburban residents. In Europe the destruction wrought by the war made replacement of housing, infrastructure, and manufacturing sites a necessity. Most recently, restructuring of the world economy, industrial flight, heightened competition among places, and the impact of information technology have transformed metropolitan areas everywhere, leading local policy makers to prioritize economic competitiveness. While policy makers can affect the massive social processes that call for policy responses – and indeed the character of these processes consists partly of policy components – policy is largely reactive to perceived conditions rather than formative.

Second, broad cultural and ideological currents constrain the alternatives that policy makers consider. The expansion of public programs takes place when general public opinion calls for governmental solutions to social and environmental problems and opposition by the propertied class to such intervention has weakened. Thus, the greatest expansion of planning and the welfare state in the USA occurred during the Great Depression. At that time, social movements of the unemployed, a widespread sense of emergency, and a loss in legitimacy by those whom President Roosevelt called "malefactors of great wealth" changed attitudes toward governmental activism. Working within this permissive framework, the government became the employer of last resort, hiring millions of workers to carry out public works schemes. Similarly, in Europe, in the immediate aftermath of World War II, the great majority sensed that their countries had to be rebuilt for everyone; at the same time, the war had broken down class barriers and diminished conservative opposition to an activist state. Within the context of these broader feelings of responsibility for all members of the national community, governments engaged in massive social housing construction programs. In both the USA and Western Europe, the threat posed by the Soviet Union, and the fear that socialism would spread if government did not improve the general standard of living, further bolstered support for governmental social welfare activities during the postwar period. Within the rest of the world, as independence movements swept the former colonies, an ideology of state-led economic development and import substitution shaped investment priorities. The influence of the Soviet bloc encouraged ideologies of state socialism, and anti-colonial nationalism supported leaders who opposed liberal-democratic orthodoxies.

The end of the Cold War, tax revolts, conservative electoral triumphs and the waning of effective left-wing movements led to the triumph of neo-liberalism within most Western countries. Neo-liberalism, somewhat confusingly to Americans who interpret liberalism as a leftist orientation, refers to the doctrine that market processes result in the efficient allocation of resources and provide incentives that stimulate innovation and economic growth. In this framework, for the market to work state action that distorts prices and interferes with rewards to investors must be minimized.

Privatization and restrictions on governmental intervention became the order of the day in most countries, even under ostensibly social democratic administrations. Most Western governments cut back on social welfare expenditures and loosened regulation of financial institutions and property development; they increasingly adopted housing policies that limited support for low-income housing by subsidizing private investors and tenants rather than building housing themselves. In the developing world the authority of international financial institutions (the International Monetary Fund [IMF] and the World Bank), backed by the "Washington Consensus" on letting markets determine resource allocations, delegitimized active government. China remained the great exception with regard to governmental activism, but even there privatization proceeded rapidly. Although policy analysts often advocated other, more generous ways of dealing with the social problems caused by industrial displacement and growing income inequality in the developed

world and massive urbanization elsewhere, the tenor of the times made adoption of these measures extremely difficult. The election of left-wing governments in Latin America did cause the breakdown in some countries there of the stringent restraints that the International Monetary Fund's policies of structural adjustment had imposed on them. Then, in much of the world the severe global economic crisis that began in 2007 caused national governments to increase spending so as to support employment and stimulate demand. Whether, as in the Great Depression, this rethinking of the role of government would have lasting effects remained unknown at the time of this writing.

Third, short of fundamental restructuring of the whole economic and social system, only certain policy choices are capable of implementation within any territory. It is not the imagination of policy makers that primarily constrains the range of available solutions to urban and regional problems but rather the social facts that they must confront. Thus, in the nineteenth century, utopians proposed ideal cities that gained much popular support but could never achieve successful, stable operation. These idealistic constructs all demanded a level of social equality at odds with the profit-driven market economies in which they had to function. Even the more practical philanthropists who advocated the construction of decent housing for working-class people failed in their aims. They built model tenements to demonstrate the advantages of space, light, and air for the preservation of public health, but their activities did not affect the bulk of the working class. Essentially, the political-economic system in which they operated precluded the raising of large sums of money to invest in housing for those who could not pay a sufficient rent. The eventual restructuring of economic processes came in the wake of Depression and war, which destabilized the existing system and gave an opening to newly powerful political groups.

Later periods reveal similar examples. Within the USA, postwar metropolitan transportation problems could not be addressed through the expansion of rail systems because the sprawling form of metropolitan development meant that population densities were insufficient to provide enough ridership. In both the USA and Europe contemporary economic development planners are unable to stimulate the growth of jobs appropriate for the skills of displaced manufacturing workers because jobs at this level have been replaced either by machines or by competition from abroad. Most job growth for the unskilled is in service sectors where employment cannot easily be exported, but occupations like home health aide or beautician are generally not suitable for male former assembly line workers. Even within a single country, urban policy makers face sharply different circumstances depending on whether they are in growing or declining areas. In regions enjoying rapid expansion, planners can seek to extract public benefits from developers desiring to build, while in declining areas, they desperately offer concessions to investors. Imposition of building codes in squatter settlements results in the displacement of residents who cannot afford to live in the improved dwellings. In sum, there are objective preconditions to the adoption of a particular policy approach that simply may not be present.

The Determinants of Urban and Regional Form

Economic, cultural, and political factors have interacted to create contemporary spatial forms. Thus, even though the Western democracies have proceeded through roughly similar stages of economic change, producing many similarities of spatial development, analyses of their metropolitan areas reveal important differences as well (Buck and Fainstein 1992; Kazepov 2005). The broad forces that, in the century after 1870, created similar outcomes were rooted in a manufacturing economy and a rapidly growing urban population. During the early part of the period, manufacturing developed within industrial districts and required dense agglomerations of workers living nearby to operate the machines; at the same time, commercial and retail activities clustered in central business districts (CBDs). Changes in transportation technology gradually made it possible for workers to live further from their places of employment and industries, and to spread out to cheaper, more extensive sites. The extent to which spatial deconcentration has occurred, however, varies considerably from country to country, depending on the stringency of regulation and the tastes of consumers. Thus, important differences in urban form and housing configuration exist. For example, even though the UK has had large-scale suburbanization, settlements mostly have sharp boundaries demarcated by greenbelts, and the endless strip development characterizing the outskirts of American cities is absent. On the European continent attached housing and apartment blocks predominate. Throughout Europe there is less rigid spatial segregation by income (Musterd and Ostendorf 1998).

   Some of the spatial differences between North America and Europe derive from their differing population densities and racial/ethnic compositions. Others, however, stem from historically different patterns of settlement as well as the attitudes generated by this history, which in turn affect planning policy. Whereas European cities trace their roots to close-knit medieval towns and villages, American metropolises mostly began in an epoch of commercial capitalism and speculative land development. These differing starting points, in part, account for differing perceptions of appropriate social and land-development policy. The European public places a higher premium on collectively enjoyed open space than does its American counterpart. European values include the communality resulting from denser settlement, whereas Americans opt strongly for privatism and retain the model of the frontier homestead. The historically greater availability and dispersion of publicly subsidized housing in Europe resulted partly from the absence of the racial and ethnic conflicts that reinforced class division in the USA. With intensification of ethnic differences and increases in homeownership, however, European social housing has become increasingly residualized – i.e. occupied by those with no other choice – and thus become more like American public housing (Harloe 1995). European electorates have supported a larger role for government in providing basic security for individuals. The consequence of the social and cultural dissimilarities between the two continents, especially between northern Europe, and the United States, is

stronger land-use regulation and a more beneficent welfare state, which, in turn, amplify the differences in urban form. Thus there are broadly similar socio-spatial patterns produced by past economic and technological forces, and variations within them caused by culture, politics, and policy.

Various terms have been used to describe those countries outside the nations which dominated the world economy throughout most of the twentieth century: less developed countries, developing nations, the third world, the global south. None is wholly satisfactory, especially as the differences among them in levels of prosperity have grown. The newly industrializing countries (NICs) have been identified as a separate category to describe some Asian and Latin American countries. Among the rest there still remains a great range from extremely poor countries in Africa to oil-rich Middle Eastern states. As well as economic differentiation, huge cultural dissimilarities exist.

A few generalizations about urban form in the developing world are possible, bearing in mind that there are numerous exceptions (see Gugler 1996). First, population movement from country to city goes on virtually everywhere, resulting in growth in both area and numbers. In countries that are not enjoying much economic development the situation is has been termed urbanization without industrialization. Second, there is a characteristic post-colonial city identifiable by a division between a formal, planned sector previously occupied by colonial officials and business owners and now the home of the contemporary elite and a much larger unplanned area. The latter consists of old, tightly clustered structures, many built before colonization, and sprawling informal settlements occupied by most of the population. As well, there may be new housing subdivisions on the periphery consisting of modest homes holding households displaced from the center by renewal programs or constituting suburban redoubts for the well-to-do. Third, the NICs present a variety of different forms, from skyscraper cities like Singapore and Seoul to mixed conurbations – for example, Sao Paulo or Mumbai, where informal settlements persist beside luxury high-rises and middle-class dwellings.

Contemporary Economic Restructuring

Economic restructuring of the last four decades has reshaped cities and regions. Production has been decentralizing, while economic control has become increasingly concentrated in multinational firms and financial institutions. The new logic of production, employment, and distribution has engendered changes in land use and social occupation; as discussed in Part I of this volume, it has caused a reordering of the urban hierarchy and of the economic and political links between places. As noted above, common trends within Europe and the USA include the displacement of a manufacturing by an information-based economy with corresponding declines in industrial and increases in service employment. These have been accompanied by the rapid growth of financial and producer services[2] sectors within cities at the top of the urban hierarchy, and the flight of industry and population from others. Governments

have responded with similar strategies of deregulation and the promotion of property development through public–private partnerships (Squires, chapter 13, this volume).

Theorists have attempted to understand this transformation through a variety of lenses. Mainstream economic theory emphasizes market competition as the driving force of economic change. Analysts in this tradition point to the lower costs of labor in less developed countries, the entrepreneurship and weaker regulations of the newly industrializing countries (NICs), and the lowering of transportation costs as the key elements pressing on the manufacturers of the wealthy nations (see, for example, Porter 1990). To grapple with competition that can produce at lower cost, these manufacturers must cut their own costs of production. They can do so by moving their factories to locations with cheap labor, by replacing labor with capital, or by shrinking their wage and benefit bill. Within the framework of this analysis, industrialists have no choice but to compete by getting more from their labor forces.

Theorists on the left have emphasized the power of capitalists in bringing about changes that have increased the profitability of investment while weakening the influence of labor. The dominant explanation (although by no means universally held) among these thinkers concerns a switch in "regimes of accumulation" (Amin, 1995; Painter, chapter 2, this volume). According to this theory, the major capitalist nations previously were dominated by "Fordist" regimes based on mass production, mass consumption, and the welfare state. During the 1970s, however, these regimes resulted in a crisis for capital as profits fell. In response, the leaders of multi-national corporations imposed a new, "post-Fordist" regime that involved very high mobility of capital from sector to sector and place to place ("flexible accumulation"). It was accompanied by flexible production techniques allowing customized manufacturing, just-in-time inventories, and short production runs. A new "mode of regulation" made possible the imposition of this regime. This mode of regulation diminished the welfare state, reduced the power of labor unions, and supported social institutions that would enhance competitiveness.

The two interpretations of capital restructuring are not mutually exclusive. Both outlooks recognize the existence of greater competitiveness within industries and among places. The progressive/left analysis, however, goes beyond simply identifying the global forces that prompted capital to restructure and attempts to root them in a theory of capitalist class conflict. The issue between the two portrayals thus concerns the causes and consequences of a similarly perceived set of processes. According to mainstream theory, recent changes have resulted inevitably from the laws of the marketplace. This theory assumes that the benefits of enhanced competitiveness flow to all workers in expanding industries and to all residents of places that achieve economic growth. In contrast, left analysis attributes global restructuring to the exercise of class power by a world capitalist class threatened by working-class absorption of an increasing share of production during the Fordist period. In the post-Fordist era, capitalists have regained the upper hand, and it is primarily owners, upper management, and possessors of high informational skills who reap the benefits of economic expansion. Growth and decline occur simultaneously, and the social distribution of the benefits of growth is highly uneven.

Types of Cities and Regions

Within the reshaped economic geography of Europe and the United States, a number of different types of cities and regions with characteristic spatial configurations can be detected. Those which are discussed in the readings include declining industrial centers, global cities, expanding and contracting regions, and cities that are centers of cultural consumption. We look briefly here at each of these types.

Declining industrial centers
The departure of industry has resulted in declining manufacturing centers afflicted with high levels of unemployment. Although some of these cities have maintained active CBDs, they all manifest vast empty tracts of abandoned industrial space.[3] The causes of their plight are manifold (Bluestone and Harrison, 1982). Competition from other industrial countries, especially within East Asia, has displaced many mature industries, particularly in the electronics and automobile sectors. Manufacturing has departed to suburban areas and peripheral regions both at home and abroad, so as to take advantage of cheaper land and labor, less burdensome regulation, weaker or nonexistent unions, and government incentives. Whereas until recently less developed countries specialized in the provision of raw materials, under the "new international division of labor" many perform the role of "platform economies" that import capital goods and export finished products at prices lower than manufacturers in the developed world can meet. As markets for goods grow more rapidly outside the old core countries than within them, producers increasingly open factories close to the sources of the new demand. When industry has remained in place but modernized, it has substituted capital for labor, allowing it to simultaneously increase production and reduce its workforce.

    The industrial cities of Europe and the US have all felt the impact of these changes. Especially striking is the suddenness with which they were affected; many cities lost as many as one hundred thousand or more manufacturing jobs during the decade 1974–84. They have sought to compensate through nurturing growth in the service sector, promoting both high-end financial and business-service jobs like law and accounting and also much less remunerative entertainment and tourism-related employment. To encourage growth they have relied on inducements to the real-estate industry, either through subsidies or deregulation, but they have also sponsored various employment and training programs.

Global cities
The term "global city" refers to those cities in which control of the world financial system rests, where cultural production influences the whole world, and where the business service sector sells its products to the globe (Sassen 2001 and chapter 4, this volume). Global cities are cosmopolitan, boasting numerous foreign visitors and a panoply of opportunities to consume. New York, London, and Tokyo are the premier global cities; Los Angeles, Paris, Shanghai, and Hong Kong also have some

claim to the title. Global cities have attracted scholarly attention because their financial and business service sectors have seemingly resisted the forces of decentralization that have affected most other industries.

Global pre-eminence, however, does not protect a city from unemployment and neighborhood deterioration. Many commentators have remarked on the sharp discrepancies so visible in these cities, where the world's most affluent people live in close proximity to the impoverished homeless, where extraordinarily prosperous districts abut abjectly poor ones (Mollenkopf and Castells, 1991; Fainstein et al., 1992). Global cities are, however, much more complex than the simple notion of a dual city implies. As well as containing rich and poor, they encompass groups of upwardly mobile immigrants and aspiring artists, masses of unionized government employees, large student populations, and vast numbers of middle-level white collar workers. They have had increasing numbers of both single-parent and multiple-earner households. Because individuals with the same income may have strikingly different family situations and future prospects, simple descriptions of class stratification are inadequate (Mingione, 1991).

Expanding and contracting regions
Because the dynamics of restructuring produce uneven development – i.e., simultaneous growth and decline within a nation, a region, and a metropolitan area – it is to be expected that, within the same country, some regions are experiencing expansion while others are suffering from disinvestment. Expanding regions are those that, because of "good business climates" and governmental investment, are benefiting from the shifts of industry described above. Contracting regions suffer from obsolete industrial structures and socio-political systems that businesses regard as inhospitable to their profit-maximizing goals. Throughout the 1980s, the fortunes of the American southwest and the British southeast improved relative to the rest of the nation. Recent developments, however, indicate that, in the volatile competition among places, no region can easily sustain its advantage. Within the US currently, greater relative growth can be seen in some "rustbelt" areas and parts of the previously prosperous sunbelt have suffered large employment losses, while in the UK, the tilt to the Southeast continues. Moreover, it becomes increasingly clear that the rate of development varies substantially within regions and metropolitan areas. Aggregate figures disguise this unevenness, and terms like "sunbelt" and "frostbelt," the wealthy West and the global south, are too gross to capture the changes that are occurring.

Implications

From one point of view, the continual ebb and flow of investment from place to place indicate the potential for laggards to catch up and the equalizing characteristics of a market-based economy. If areas have high labor costs, then business will go elsewhere, the price of labor will drop, and business will come back. Such an assessment, however, does not include the social costs of insecurity, the price that people pay when

communities are broken up because they lose their main sources of livelihood, the perhaps irredeemable loss of a critical mass of skilled workers and of relations among producers and consumers (Fainstein and Markusen, 1993). Nor does it address the growing social inequality that has resulted from a system in which business has been able to drive down wages by threatening to move away. Despite the extraordinary growth in aggregate income within many countries since 1990, income inequality worsened. In part, this trend was both caused by and reflected in growing spatial disparities. The changing spatial forms of the era of restructuring have important consequences that can be summed up by analyzing the social creation and meanings of urban space.

Social Space

Urban space gains its meanings as a consequence of the activities carried on within it, the characteristics of the people who occupy it, the form given to it by its physical structures, and the perceptions with which people regard it. Consequently, such space does not simply exist; it is, instead, a social creation. Yet, although the product of creative activity, spatial relations once formed take on a seeming fixity, a life of their own. For example, ethnic and racial ghettos come into being and perpetuate themselves through the interaction of majority exclusionary practices and minority preferences. Once in existence, they become a defined territory, comprising a dependable voting bloc for politicians, a perceived area of danger or source of exotica for outsiders, a specialized niche in the real-estate market, and a source of particular types of labor. Central business districts (CBDs) result from a concentration of investment in office buildings and retail establishments. After they become established, CBDs welcome certain kinds of activities and exclude others, enhance the potential profitability of buildings within their boundaries, and become symbolic of the economic health of the cities in which they are located.

The character of the built environment both determines the profits and losses that derive from investments made within a given territory and reinforces the nature of social relations between races and classes (Marcuse and Van Kempen 2002). Thus, governmental responses to economic restructuring that have depended on a strategy of urban redevelopment have provoked intense political conflict, and the investment decisions of private property developers have stimulated both choruses of support and furious antagonisms. The process of economic restructuring described above has reorganized spatial relations. Its consequences are visible in revived CBDs, rapidly growing "edge cities," increased spatial segregation of class and ethnic/racial groups, industrialized Asian cities, and growing informal sectors. It has produced a fragmented landscape wherein the identities that people formed with place over the generations have been undercut, often to be replaced by synthetic versions of the main streets, villages, and marketplaces of old (Zukin, chapter 17, Sorkin, chapter 16, this volume).

The changes stimulated by economic restructuring have been mediated by the political process and its policy output. In virtually all cities, policy makers have

perceived their economic base as endangered by competition from other places and have striven to devise programs that would attract expanding businesses. Usually, they have identified office-based, technology, entertainment, and touristic sectors as offering the most promise for future development. They have provided various kinds of financial assistance and regulatory relief to developers, sports teams, festival promoters, and occupiers of new office, retail, laboratory, and entertainment-oriented space. At the same time, "marginal businesses" have suffered from governmental neglect. Workers in declining sectors have therefore found themselves doubly disadvantaged – by the disappearance of employment opportunities, and by the biases of the public sector in favor of jobs with entry requirements that they cannot meet.

Role of Politics and Polity: The Case of Urban Redevelopment

In both the USA and the UK, where the cases discussed in Part III of this volume are located, there is a typical, though by no means uniform, history of redevelopment policy.[4] In the postwar period the emphasis was on demolition of slums and their replacement by large projects within the framework of a comprehensive plan. Later rehabilitation, historic preservation, and smaller projects became more typical. Mega-projects – very large, mixed-use projects, often on the sites of abandoned factories or port facilities – became increasingly prevalent beginning in the 1980s (Diaz Orueta and Fainstein 2008). Within the USA, business groups, usually in concert with political leaders, promoted their vision of the revitalized city, often forming organizations that provided governments with plans and technical advice.[5] Urban movements, driven by equity, preservationist, and environmental concerns, frequently opposed subsidized downtown redevelopment and unregulated profit-driven expansion. They also, although less frequently, promoted alternative plans for neighborhood redevelopment. The outcomes of these contests have varied. Regardless, however, of whether the result has been growth or decline, greater or less equity, deal making on a project-by-project basis rather than comprehensive planning has been the main vehicle for determining the uses of space.

Overall, business interests have dominated the negotiations among government, community, and the private sector on the content of redevelopment (Stone, 1993). They have been supported by elite and middle-class consumers seeking more exciting downtown and attractive, centrally located housing. Neighborhood and lower-income groups have received some gains in some places from redevelopment. Generally, however, the urban poor, ethnic communities, and small businesses have suffered increased economic and locational marginalization as a consequence. The emphasis on office-based employment within most large redevelopment schemes has reinforced the decline of manufacturing jobs and contributed to the employment difficulties of unskilled workers. While businesses have received direct subsidies, taxpayers at large have borne the costs and received benefits only as they have trickled down. Neil Smith (chapter 13, this volume) argues that the discourse surrounding

displacement justifies the vanquishing of working class people through the deployment of a frontier imagery through which expulsion of long-time residents becomes the triumph of heroic adventurers.

In many cities, redevelopment strategies have been successful in creating a revitalized core (Frieden and Sagalyn, 1989). The number of people living and working in city centers increased, and tourists and suburbanites have patronized the hotels, stores, and restaurants in the renovated shopping districts. The short, sharp recession of the early 1990s called some of these strategies into question, as office vacancies shot up, reflecting the particularly steep loss of employment in financial and related sectors. The overhang of vacant space caused many policy makers to switch their emphasis from the volatile financial services sector to greater promotion of entertainment and tourism. Recessions in 2001 and 2008–9 have again made real estate investment appear risky, and entertainment and tourism have likewise suffered – whether they will regain their previous levels and continue to grow remains to be seen.

In some American cities, political leaders followed a more redistributive strategy. Chicago's late mayor, Harold Washington, while not forgoing CBD-development, gave strong support to non-profit neighborhood organizations for housing construction and fostered community economic development schemes (Mier, 1993). Los Angeles has adopted measures requiring businesses within subsidized developments to pay a living wage. In the UK plans for the development of Thames Gateway, a vast area stretching out from the East End of London to the mouth of the Thames, call for the construction of tens of thousands of units of affordable housing. Although the Labour government, which led the UK for the first decade of the twenty-first century, had discarded the strongly redistributive program of earlier years, it still required that new development include housing for low-income people and targeted poor areas for investment.

A different reform movement, known as "the new urbanism" has sprung up in the USA. Comparable to neo-traditionalism in the UK and the compact city effort on the European continent, the new urbanism addresses some of the consequences of urban deconcentration (Talen, chapter 19, this volume). Originally focused primarily on reconstituting American suburbia to make it both more diverse and more communal, the movement calls for the physical redesign of municipalities so as to protect the environment, house a greater diversity of people, and bring households into closer proximity. It is, however, controversial, as critics regard it as simply re-creating suburban privilege in a different architectural vocabulary. As well as affecting suburban development, new urbanist design characterizes most of the replacement housing for central-city public housing. Under the federal HOPE VI program, cities are demolishing projects considered extremely distressed and building mixed income, new urbanist developments on their sites. The critique of this venture centers less on design and more on their effect of destroying affordable housing and encouraging gentrification (Bennett et al. 2006).

Redevelopment scenarios in parts of the world where citizen opposition to displacement is repressed and preservationist movements have gained little purchase resemble the actions taken during the postwar period in Europe and the US.

Especially in China (Friedmann, chapter 23 this volume) but also in India, southeast Asia, and parts of South America bulldozers demolish large swathes of cities; shopping malls, luxury apartments, and office towers rise in their place. Continued migratory flows and lack of suitable relocation premises, however, mean that informal housing remains the dominant form of habitation in most of the ordinary cities of the developing world (Robinson 2006).

Cultural Manifestations of Urban and Regional Development

The reconstructed urban cores now constitute nodes within a multi-centered system of metropolitan urban regions. These regions have changed significantly since the era when the CBD defined their hearts. Although the old CBD may retain its dominance over certain industries like financial services and tourism, other parts of the region have assumed numerous functions including wholesaling, manufacturing, research, retailing, and commercial services. These activities may be concentrated in technology parks, office complexes, and shopping malls, or they may be strung along highway corridors in single-purpose units. Stylish and expensive residential areas may be close to the old CBD, as in New York's upper east side or London's Mayfair, or far on the periphery but nonetheless within convenient commuting distance of the new suburban work complexes. Residential developments, whether within or outside the boundaries of the central city, are set off by barriers or fully enclosed by walls, separating the homogeneous community within from the more diverse population without.

Some interpreters consider that spatial form breeds culture, and that these new spatial forms have created a more divided society, although the extent to which spatial proximity and distance alone influence perceptions and behavior remains a subject of hot debate. Louis Wirth (1938), in his famous essay "Urbanism as a Way of Life," set forth the case for the relation between spatial configuration and culture, arguing that the urban characteristics of size, density, and heterogeneity produced a culture of impersonality and alienation. Later, critics of suburbia argued that its neatly arranged housing on large lots encouraged conformity and competitive consumerism (White 1956). Most recently, social commentators like Sharon Zukin and Michael Sorkin, whose essays appear in this volume, have contended that gated communities and "theme-park" developments produce an intolerant public, hostile to diversity and opposed to public programs that would benefit the poor. William Julius Wilson (1987) also views spatial relations as causal in terms of social behavior: he argues that the spatial isolation of low-income African-Americans in inner-city ghettos produces detachment from the labor market, low expectations, and deviant behavior.

Whether or not a less artificial, more diverse environment would, as writers like Richard Sennett (1990) contend, produce a better society is a question not easily answered (Fainstein, chapter 7, this volume). Proximity of differing groups can breed enmity as well as tolerance. The indifference encouraged by distance, even

while it may produce fear and lack of empathy, can also create a buffer that prevents open warfare. Without settling this debate, however, we can agree with the cultural critics of spatial forms that it is possible to "read" the divisions and values of a society in the lineaments of its spatial configurations; and, that the ways in which people perceive their cities and regions, in turn, shapes their development.

The Readings

The readings selected for this volume all investigate issues concerning the interaction of economy, culture, politics, policy, and space. The criterion of selection was their germaneness to addressing the themes briefly sketched out in this introduction: the changing urban and regional system, its social impacts, the effect of publicly sponsored redevelopment programs, and the cultural meanings of spatial relations. These are, we believe, the fundamental underpinnings of urban and regional theory. Although there are important differences among the authors represented, they mostly share a common paradigm of political-economic analysis.

This volume is the third edition of a book of readings originally published in 1996. About three-quarters of the selections are new. We decided to replace a selection when the same author had written a more recent piece addressing the same subject or when we felt that the original reading was simply too dated. We increased the emphasis on culture, design, and spaces of consumption. We have added a new section on cities in a globalized world, which considers non-Western cities and points to the linkages among urban phenomena in the developed and developing world. Whereas the earlier editions focused on the United States and United Kingdom, this version has a considerably broader scope. At the same time these two countries, where most of our readers study, continue to get more attention than others.

The volume is intended to address a set of questions rather than to provide a survey of the field. We rejected the approach of being encyclopedic and trying to present at least two viewpoints on every issue. There is considerable merit in such a strategy, but we were unable to find readings that matched up well in this way. Moreover, we were committed to bringing contemporary works to the attention of our readers, and much of the most interesting contemporary writing on urban and regional theory falls within the political-economy paradigm. We also failed to include classic pieces on urban and regional development, although we had originally wished to do so. This omission resulted primarily from space limitations.

In sum, then, we have assembled a collection of readings that examine the following questions:

- What is the spatial, economic, social, and political character of the global urban and regional system and how has it changed?
- What are the causal factors underlying this change?
- What is the impact of spatial segregation on the economic and social situation of minority groups?

- What have been the economic and social effects of governmental programs for urban redevelopment?
- What has been the cultural significance of changes in the urban and regional system?
- What is the effect of design on urban social relations and economic development?

The outlook on theory incorporated here envisions it as a convincing general explanation of events and processes. Theory in social science may assist in predicting the future, may allow the generation of testable hypotheses, and may define the foundations of a discipline. In our view, however, these functions alone do not define the role of theory and are not necessarily all present in works of theoretical significance. For us, the transcendent purpose of theory is to make sense of the world and to show how particular phenomena form part of a broader scheme.

We therefore have chosen readings that make coherent arguments buttressed with various kinds of evidence but which do not usually rigorously present their findings as falsifiable hypotheses. Rather, their authors make a number of arguments concerning underlying causes, many of which are open to dispute. We believe that they have incisively depicted the new urban and regional environment, and have developed important approaches to explaining its causes, meaning, and consequences. Our intention, however, is that readers of this book will use these arguments as starting points for the development of their own theories.

Notes

1. This introduction discusses the major themes of the volume and refers to the readings as they bear on these themes. Summaries of the various contributions introduce each of the sections.
2. The term "producer services" refers to businesses like law, accounting, management consulting, and advertising that sell their products to other businesses.
3. Changes in trade patterns and the containerization of bulk cargo for water-borne shipping has had a similar impact on many port-dependent cities, resulting in desolate waterfront areas that formerly were centers of bustling activity and extreme congestion (Campbell, 1993).
4. This discussion is drawn from Fainstein (2001, ch. 1).
5. The prototype organization was the Allegheny Conference. Organized in 1943 under the leadership of Richard King Mellon, head of Pittsburgh's leading bank, it drew up the plans for the transformation of Pittsburgh from a manufacturing to a service city. The public sector's role was primarily the reactive one of implementing the Allegheny Conference's strategies. The partnership between private and public sectors was institutionalized within the city's Urban Redevelopment Authority (Sbragia, 1990).
6. British businesses no longer pay taxes to local municipal authorities. Instead, all business taxes are collected by the central government and redistributed to localities. Consequently, no local authority achieves any revenue advantage through attracting business development.

7. A number of studies are explicitly comparative and reach something of a consensus concerning the similarities in the impact of global economic restructuring on British and American cities and on the direction of urban policy in the two countries; see, for example, Barnekov et al. (1989), and Sassen (1991).

8. Among the many studies that reach the conclusions summarized in this paragraph, see especially Fainstein et al. (1986), Parkinson et al. (1988), Squires (1989), Judd and Parkinson (1990), Logan and Swanstrom (1990); Brindley et al. (1996) and Imbroscio (1997).

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