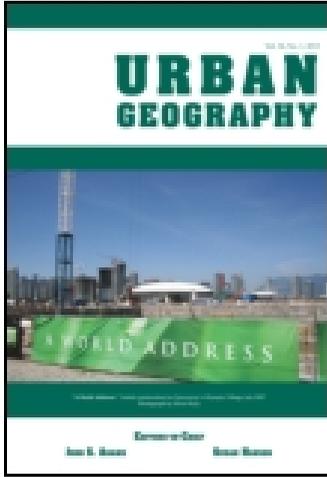


This article was downloaded by: [University of Illinois at Urbana-Champaign]

On: 11 March 2015, At: 22:50

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Urban Geography

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rurb20>

URBAN FORTUNES: THE POLITICAL ECONOMY OF PLACE: A COMMENTARY

Robert W. Lake ^a

^a Center for Urban Policy Research, Rutgers University, New Brunswick, NJ 08903

Published online: 15 May 2013.

To cite this article: Robert W. Lake (1990) URBAN FORTUNES: THE POLITICAL ECONOMY OF PLACE: A COMMENTARY, *Urban Geography*, 11:2, 179-184, DOI: [10.2747/0272-3638.11.2.179](https://doi.org/10.2747/0272-3638.11.2.179)

To link to this article: <http://dx.doi.org/10.2747/0272-3638.11.2.179>

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the "Content") contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms & Conditions of access and use can be found at <http://www.tandfonline.com/page/terms-and-conditions>

URBAN FORTUNES: THE POLITICAL ECONOMY OF PLACE: A COMMENTARY

Robert W. Lake
Center for Urban Policy Research
Rutgers University
New Brunswick, NJ 08903

It is easy to see who wears the white hats in *Urban Fortunes*. On one side is the growth coalition, a loose affiliation of place-based actors who aim to enrich themselves by maximizing the exchange value of local real estate. Arrayed against these interests are the unimpeachable use-values of home, hearth, security, neighborliness, and community. It is an unequal struggle in which the moneyed interests usually prevail.

Urban Fortunes is innovative, insightful, and tantalizing. In the growth coalition, John Logan and Harvey Molotch give us a villain that everyone can love to hate. They draw a clear picture using bold strokes, sharp distinctions, provocative evidence, and strong statements. But scratch the surface of the story and some of the clarity gives way. The villain is too sharply drawn. The victim lacks credibility, is too good to be true. Their palette of black and white fails to capture the shades of gray that constitute the urban landscape. Their story oversimplifies. It lacks subtlety. It dodges complexity and ignores contradiction.

The book ultimately disappoints because it is inadequately theorized. I would like to focus my commentary on four issues in particular: the structure/agency relationship; the capital-rentier-labor relationship; the use value/exchange value duality; and the constitutive role of place. Gaps in the theorization of these critical relationships ultimately limit the possibility for Logan and Molotch to suggest corrective action. Because the relations among the players remain unfocused, the plot lacks a satisfactory denouement. *Urban Fortunes* provides an appealing starting point. But to successfully identify solutions to the conflicts Logan and Molotch dramatically describe, they need a more satisfactory conceptualization of the characters in the play.

STRUCTURE/AGENCY

Logan and Molotch state their purpose early on: "to [make] the case for an interest-driven social construction of cities" (p.4). This formulation pervades their work. Their analysis is instrumental and agent-centered. They "offer the basic hypothesis that all capitalist places are the creations of activists" (p. 3). They "give primary attention to the strategies, schemes, and needs of human agents and their institutions at the local level" (p. 12). They identify the growth machine in terms of specific individuals (pp.

62–85): the rentier elite, local politicians, local media owners, utility operators, museum directors, sports team owners, and university administrators. These are “people dreaming, planning, and organizing themselves to make money from property” (p. 12). Struggling against them are “human strivings for affection, community, and sheer physical survival.”

Agents beg for context. Indeed, particularly after Giddens (1984), the concept of agency has no meaning divorced from structure. The case for an “interest-driven social construction of cities” will always be incomplete if it ignores the prior questions of how and why interests are established. Activists are surely important but only as they have become spectacularly adept at exploiting the potentialities offered by a capitalist structure. A focus on agents and their interests demands elucidation of the structures that provide opportunities for the pursuit and realization of *particular kinds of interests* through particular ways and means in particular times and places. A focus on the dreams, plans, and strategems of rentiers, politicians, and university administrators begs the question of why society gives rise to these particular kinds of actors.

The lack of context leads Logan and Molotch to draw their characters out of proportion. The local rentiers that fuel the growth machine have astonishing reach. They manipulate capital investment decisions. They control local government for their purposes. They “mobilize” and “legitimate” local culture to be “consistent with growth goals” (p. 62). They create and control local ideology. Their reach extends into every facet of daily life.

Given this near-omnipotent character of the growth machine, it is all the more surprising that Logan and Molotch seem uninterested in telling us where the growth machine came from or how it amassed such far-reaching power. Growth machines are by definition local. They are by definition locked in competitive struggle with one another, each presumably seeking one another’s demise, the more individually to prosper. How did these highly localized, fragmented, mutually antagonistic actors manage, as a class, to amass such sweeping power and to become so widely distributed and so firmly entrenched? That Logan and Molotch fail to address this question weakens their analysis and undermines the explanatory power of their growth machine formulation. It truncates their analysis at the level of appearances. To simply posit as a given the origin and existence of these complex institutions is insufficient to the task of comprehending their central role in an “authentic urban sociology” (p. 49). It is particularly problematic because it both leads to, and reflects, an inadequate theorization of the capital-rentier-labor relationship.

CAPITAL-RENTIER-LABOR RELATIONSHIP

The basic urban problem for Logan and Molotch undergoes several transformations in the pages of *Urban Fortunes*. This ambiguity in implicit causal sequences and in the hierarchy of domination is symptomatic of the authors’ uncertainty regarding the fundamental social relations among capital, labor, and the rentier-led growth elite. The central conflict for most of the

book is between the use-value interests of residents and the exchange-value interests of the local rentiers who energize the growth machine. When capital is introduced somewhat late in the argument, the central urban struggle is transformed from conflict between rentiers and residents to "place-oriented conflicts between capital and residents" (p. 248) in which rentiers play a mediating role.

Two examples may suffice in illustrating the need for greater theoretical clarity regarding the relationship between capital, labor, and the growth machine. The first example concerns the importance of a healthy and quiescent labor force in creating the good business climate that facilitates growth. Logan and Molotch conclude in this context that "labor must . . . be reproduced, but only under conditions that least interfere with local growth trajectories" (p. 60). In this formulation, the driving force is the local growth elite whose exchange-value-driven purpose is happily served by providing a quiescent labor force for capital. Capital benefits when the growth machine benefits: what is good for the growth machine is good for capital.

An alternative formulation holds that capital needs a quiescent workforce, and happily mobilizes the local growth elite to profit a bit by constituting itself as the institutional mechanism marshaling the requisite labor power at the local level. Here the growth machine benefits when capital benefits: what is good for capital is good for the growth machine. The first view begs the question of the origins of the growth machine; the second places those origins in a structural relation to capital. Distinguishing these two perspectives are fundamental differences in theorization regarding the structural origins, causal primacy, driving mechanisms, and class relations of the principal actors in Logan and Molotch's urban sociology.

In a second example, Logan and Molotch consider the case of community residents organizing to prevent plant closings. The struggle to prevent plants from closing is the obverse of competition to attract new plants. In the case of attracting new growth, according to the growth machine formulation, residents and capital are irreconcilably in conflict. The growth lobby intervenes on the side of capital against labor. Continued conflict threatens to widen the gulf between capital and labor. This is the growth machine argument in pure form.

In community struggles against plant closings, these relationships are turned on end. Capital and residents are again irreconcilably in conflict but now residents seek to reduce rather than to accelerate capital mobility. The local growth lobby now intervenes against capital and on the side of labor. Conflict over plant closings serves to reproduce the capital/labor relationship rather than to weaken it. As Hudson and Sadler (1986, p. 179) point out in their discussion of plant closing controversies in northeast England:

Groups of workers . . . compete with one another, sometimes on the basis of cross-class territorial alliances, for the privilege of being able successfully to sell their labor-power in the marketplace and their places on the place

market. . . . Accepting the competitive ethic of capitalism in this way as a legitimate terrain, and fighting on a territorially defined basis within it . . . has the precise (albeit unintended) effect of reproducing the basic structural relations of capitalism.

In short, different dimensions of the same process generate diametrically opposite results. The predictions of the growth machine model are consistent with the dynamics of attracting industry but not with the obverse. The growth machine model is too narrowly drawn to encompass these contradictory manifestations of a single process. Nor is it sufficient to elaborate the respective roles of capital, rentiers, and labor on a case-by-case basis, for this simply substitutes empiricism for theory. What is needed is a theorization of the growth machine set within a broader theory of industrial location, capital mobility, and the reproduction of capitalist social relations (Storper and Walker, 1983).

GROWTH, USE VALUE, AND EXCHANGE VALUE

Because the interests of residents, rentiers, and capital are not always as simple or clear-cut as suggested in *Urban Fortunes*, the use value/exchange value distinction fails to capture the full complexity of the relationships between these imperfectly comprehended actors. Logan and Molotch argue at the outset that "the commodification of place [is] fundamental to urban life" (p. 1). This is certainly the case, but commodification muddies the "sharp contrast" (p. 20) between residents' use-value interests and the exchange-value interests of entrepreneurs. The grip of commodification ensnares residents as firmly as it does the growth lobby.

Kevin Cox (1981) argued some years ago that the use value/exchange value conflict recedes in importance once community is commodified. Conflict arises instead when residents and growth lobbyists differ on how to maximize their respective exchange values. I would argue instead that residents seek to protect both use and exchange value. If this is the case, however, it is virtually impossible to claim that in one instance residents are protecting their housing values but in another instance they are protecting their "community." The use value/exchange value distinction becomes hopelessly blurred: it comprises a permeable duality rather than a sharp dichotomy.

If residents sometimes act like entrepreneurs, then their actions can no longer be interpreted solely in terms of a somewhat romanticized *a priori* specification of interests associated with home and community. Residents behave at times like capital and at times like labor—but this behavior is consistent with the reproduction of capitalist social relations. Theoretical clarification of the capital/labor relationship promises a richer explanatory base than does the *a priori* assignment of interests in terms of a rigid use value/exchange value dichotomization.

PLACE

Despite its subtitle, *Urban Fortunes* allocates slight theoretical significance to place. Consistent with an agent-centered view, place for Logan and Molotch is socially constituted. "People construct [places] as a practical activity" (p. 44). Place is arena and outcome. It is the meeting place of the two struggles of accumulation and community. For Logan and Molotch, place is both the backdrop for, and the result of, these struggles. But place is more than a passive outcome and arena for struggle: place is itself actively constitutive of social outcomes. Place is subject as well as object. As a "sedimentation" (Massey, 1984) of past rounds of accumulation and community-building, local places intersect uniquely with the transforming potential of global processes.

Logan and Molotch oversimplify the question of scale. Their place is defined by the scale of community and by the reach of local rentiers. But rather than being synonymous with and limited to locality, place is the intersection of the local and the global. Logan and Molotch are apologetic on this score. They say that their focus on the local manifestations of local-global linkages is adopted "for the sake of manageability" (p. 13). This manageability is gained at a severe cost. It truncates theorization at the point where theorization is most needed: clarification of the intersection of the local and the global, of agency and structure. It forestalls the possibility of examining and understanding the constitutive role of local places in the mediation of global forces. It imposes an arbitrary, artificial, and theoretically insupportable truncation at the boundaries of the locality. It once again relies on a reductive empiricism to read off local outcomes from the interaction of local actors (compare Harvey, 1988).

TOWARD SOLUTION

Logan and Molotch make no secret of their disdain for the growth machine. All the more unfortunate that their lack of theoretical clarity limits their ability to identify solutions. Deriving adequate solutions to the problem of the growth lobby requires adequate specification of its origins. Driving the rentiers from the temple (or from the community) may be necessary but is not in itself sufficient to empower residents to realize use value from the locality. If the agents peopling the growth machine have structural roots, then structural change is needed to rectify imbalances of power and to redirect social outcomes. Analysis that rests at the level of action and appearances must fail to identify sufficiently stringent solutions.

John Logan and Harvey Molotch took on an awesome task in writing this book. Their task was no less than to identify the players within whose grasp is the power to determine urban fortunes. They have assembled an admirable cast and furnished them with an alluring script. They need only

pay attention to the structure of their play. One more rewrite and they should be assured of a very long run.

LITERATURE CITED

- Cox, Kevin, 1981, Capitalism and conflict around the communal living space. In M. Dear and A. Scott, editors, *Urbanization and Urban Planning in Capitalist Society*. New York: Methuen, 431–455.
- Giddens, Anthony, 1984, *The Constitution of Society*. Berkeley: The University of California Press.
- Harvey, David, 1988, The geographical and geopolitical consequences of the transition from Fordist to flexible accumulation. In G. Sternlieb and J. Hughes, editors, *America's New Market Geography: Nation, Region and Metropolis*. New Brunswick, NJ: Center for Urban Policy Research, 101–134.
- Hudson, Ray and Sadler, David, 1986, Contesting works closures in Western Europe's old industrial regions: defending place or betraying class? In A. Scott and M. Storper, editors, *Production, Work, Territory: The Geographical Anatomy of Industrial Capitalism*. Boston: Allen and Unwin, 172–193.
- Logan, John R. and Molotch, Harvey L., 1987, *Urban Fortunes: The Political Economy of Place*. Berkeley: The University of California Press.
- Massey, Doreen, 1984, Introduction: Geography matters. In D. Massey and J. Allen, editors, *Geography Matters!* London: Cambridge University Press, 1–11.
- Storper, Michael and Walker, Richard, 1983, The theory of labor and the theory of location. *International Journal of Urban and Regional Research*, Vol. 7, 1–41.