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THE RISE AND FALL OF REGIONAL POLICY IN THE UNITED STATES

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Let me begin by suggesting that "regional policy" today has precious little legitimacy left in the United States context. After nearly two decades of sharing center stage with "urban policy" in domestic affairs, the rationale for regional policy has been waning for some time and has been given an extra shove to the sidelines with the recent budget cuts by the Reagan Administration. While our Canadian neighbors to the north, with their provinces as the political, and thus policy, units of analysis, do indeed have a tradition of thinking and acting in regional terms, by and large, Americans do not. Our brief but sustained fling with regional policy, which began in earnest during the Kennedy era, commenced largely as a result of two important developments. First, certain circumstances such as economic underdevelopment or environmental degradation existed or threatened in locations and at spatial scales that strained the abilities of states to plan and act in concert. Second, this was an era during which power and initiative were slowly shifting to the national government in a number of domestic areas. Multistate and substate regional responses on a number of policy fronts were the rational outcomes of these tendencies. What appeared eminently logical and defensible was also in close congruence with the nation's building confidence in purposive policies, plans and programs. Regional policy, then, was conceived and implemented by a larger, richer, and busier federal government than we had ever seen, and soon it exhibited the weaknesses and flaws which so often result when a policy response is driven more by the mindset behind it than by the mechanics within it.

Two realities began to overtake the very notion of regional policy not long after it had come to the fore. First, it became ever clearer that the circumstances that afflicted regions often did so as a result of trends that even the federal government was unable to influence predictably. The United States itself had become but a region in a rapidly restructuring international political and economic community. Second, regional policy never developed a sufficiently loyal and committed political constituency in a system where barely three, and surely not four, levels of government defined the functioning political system. All else was filigree. The regional perspective that was grafted onto the system of intergovernmental relations became more of an imposition and an intrusion than an innovation. Let us examine the flow and ebb of the regional policy response in more detail.

Regional Policy Response to Multiscale Deconcentration and Economic Change

In the United States, the past two decades defined an era during which the changes that originally had invited a regional policy perspective proceeded until that perspective itself was rendered largely superfluous. The decades of the 1960s and the 1970s were a time of significant subnational development that assumed patterns and rates that did much to reconfirm the relative potency of nonpurposive and unplanned determinants of the nation-building process. By the end of this era - and for the first time - we witnessed a simultaneous deconcentration of industry and households, capital, income, jobs, and even technological and organizational innovation at several spatial scales. Not only were our largest central cities continuing to lose their hold on population and on key components of their local economic bases, but older suburbs began to do the same. Between 1970 and 1980, of the 56 central cities whose population exceeded a quarter million, half (28) lost population; all six cities of that size in the Northeast and twelve of fourteen in the Midwest lost population, while fewer than half of the large cities in the South and West did so. Within the context of increasing suburbanization, entire metropolitan areas stopped growing and even declined. During the same decade 15 metropolitan areas (all in the Northeast or the Midwest) whose populations exceed one-half million lost population. Further, growth in nonmetropolitan areas eclipsed that in metropolitan areas as the nation's smallest and most remote places within all regions experienced growth through retention and in-migration.

At the largest spatial scale, massive shifts within the market economy, both aided and abetted by the operation of the national political economy, allowed the long-term historical convergence of multistate regions to continue apace. This era of tremendous redistribution and restructuring was made all the more visible by the

slow rate of growth in the overall economy. The lack of surgical accuracy associated with reliance on large-scale macroeconomic spending and development policies prompted increasing demand for federal government initiatives to resuscitate and rescue specific places of historical, economic, political, and cultural significance from the changes that beset them. Thus, the urban and rural economic and demographic arrangements that had dominated for the past century were changing. While the processes of urbanization and industrialization had accommodated each other for well over a century, a new industrial era - which some have called the "post-industrial era" - was now to be better accommodated by a multiscale counterurbanization process.

These were the developments of the era defined by the past twenty years. It was against this bulwark of restructuring that our arsenal of regional policies was arrayed. What were the main instruments in that arsenal? The impulse for multifocus development planning that appeared in the early 1960s was a carryover from a centerpiece New Deal policy of FDR's administration, when seven states which defined the core of underdevelopment in the nation and which had since the nation's founding lagged behind other regions became the regional target for the economic and resource development initiatives of the Tennessee Valley Authority. But it was not until nearly three decades later, in 1961, when the Area Redevelopment Administration (ARA) and a year later (1962) the Public Works Acceleration Act were established under the auspices of the Department of Commerce, that the federal government again committed itself to the development of specific areas of the nation that suffered demonstrably high rates of unemployment and poverty. These efforts rapidly evolved until 1965, when the Public Works and Economic Development Act provided for the creation of the Economic Development Administration (EDA) - which was also embedded in the Department of Commerce.

Explicit governmental intervention was now more rational than it had ever been. The nation was reconceptualized as a mosaic of "economic development areas" that united the disadvantages of two or more designated "redevelopment areas" with the presumed wealth-generating advantages of a magnet urban area. This functional hierarchy was capped with a collection of multistate "regional planning commissions" to allow government interventions to pursue undesirable circumstances that tried to slip across state borders. The flagship of these multistate efforts was the Appalachian Regional Commission, also established in 1965 with the passage of the Appalachian Regional Developmental Act. Against the legacy of two centuries of relative underdevelopment, the hundreds of millions spent in these efforts were nominal at best. But the principle of explicit federal-state cooperation, like that of federal-local cooperation of the same era (e.g., Model Cities and Community Development Block Grants), promised to test the flexibility of intergovernmental relations as nothing before ever had.

In the United States context, "region" is to some extent a misleading term. A case can certainly be made that the economic and demographic changes unfolding *within* regions are more significant for the nation than those *among* regions. The spread of manufacturing growth into nonmetropolitan areas and the evolution of central cities to play a leaner repertoire of roles for multinodal and dispersed urban areas in the future are developments whose reality is only incidentally regional. The increasingly diversified economies of rural and remote areas, and the special pressures that attend responding to such growth in underbureaucratized jurisdictions are problems that all regions appear now to have in common. The racial and life-stage selectivity of migration patterns out of central cities, the rising importance of noneconomic factors such as leisure facilities and recreational amenities reflected in county growth patterns all across the nation, and the impotence of tax incentives to steer growth between locations are all evidence of the dominance of private preferences over public policies. The tardy acceptance of the importance of indigenous growth as reflected in firm births and secondary expansion versus firm relocation, the social consequences of capital shifts into and out of the nation entirely, the prospect of economic growth without employment growth - these and related factors have inhibited our consideration of the possible benefits of conscious and compassionate disinvestment. Finally, the energy and efficiency implications of patterns of deconcentration and reconcentration at lower overall densities and the special problems of "slippery" capital and "sticky" labour in an era when, due to demographic and economic reasons, the mobility of labour is slowing down, have lent themselves to glib generalizations that have either favoured or opposed patterns of growth and development in all regions rather than realizing that most of the important factors generating these trends may well be beyond our ability to influence via public policy of whatever variety. All of these and more have conspired to make the regional perspective another instance of misplaced emphasis.

In the United States, the term "regional policy" has come to suggest a spatial scale at which it has been increasingly interesting to monitor the consequences of the restructuring of the nation's and hundreds of localities' economic and demographic bases in the context of the restructuring of the international economy. Yet, the reality of regional change has only been teased out and responded to with great difficulty. This is so largely because "region" - connoting as it does most often multistate organization - is a scale of economic organization and change that lacks a companion political category.

Conditions apprehended at the regional scale are not easily communicated through state governments and are only very clumsily dealt with in Washington.

Variations Within and Between Regions: Which is the Better Policy Guide?

Regional reality suffers from all the flaws that afflict ordinary aggregate analysis. A scale expansive enough to embrace economic and related developments - such as unemployment and poverty - that characterize an area sprawling over several contiguous states invariably also embraces a flurry of differences as well. Thus the differences within regions may loom larger and more consequential than those between regions; this has persistently weakened the viability of a regional perspective.

A case in point is the so-called "war between the states" that artificially juxtaposes the aggregate figures for northern and midwestern ("Snowbelt") states with those of southern and western ("Sunbelt") states. Yet, on any measure that really matters and that will propel policy aimed at economic development, social welfare, or environmental protection, the differences within the respective belts far exceed those between them. For instance, the relative inability of a state like Mississippi to fend for itself in either the old or a proposed new federal division of labour - given the structure of the state's economy and demography, the incomes of its residents, and the inadequacy of its efforts to employ a tax on income, such as a state income tax, or a tax on consumption, such as a state sales tax - is far more compelling than are the contrived differences between the belts crafted by regional analysts. The differences between the belts may be best understood in terms of *relative* rates of growth and decline and in the long-term context of regional convergence, rather than as an invitation for a regional policy response. In other words, while it may be useful and informative to apprehend the consequences of economic and demographic change in regional terms, it may not follow that this justifies active regional policy initiatives to influence other building outcomes.

Likewise, as we look ahead, beyond an era during which federal development policies are concerned with the spatial impacts of what they do, fractious issues like those between energy-producing and energy-consuming states which refuse to tear along the same regional perforations as have the issues leading to the battle of the belts may caution us against employing policies with explicit regional goals. Within each belt are great variations between energy producer and consumer states and their respective abilities to negotiate an energy-sensitive future. Invariably, large, ambitious multistate regional policies will tend to overlook these important intraregional differences. So, in some sense, regional policy and the analysis that supports it increasingly exhibit political flaws that may be compounding important logical flaws. Therefore, regional policy will probably remain implicit and secondary - if not an analytical indulgence - because it cannot be made explicit in a political context. It will likely always be unraveled by the forces at work within our domestic economic as well as our federal republican systems.

Regional Policy and the Politics of a Zero-Sum Society

The regional brand of public policy has had a curious existence in the United States. While it has appropriately sensitized us to the scale at which historical changes are working themselves out throughout the nation, it has not meant much until relatively recently when, in the context of a low- and no-growth economy, much of the advantage accruing to one region appeared to come at the expense of other regions. Out from behind the veil of overall national economic growth, the inability of the Industrial Heartland - through a process once afflicting only its major industrial cities - to compensate as it had done for a century or more for its building losses became more evident. Jobs and capital tied to maturing industries and the households that created markets in receiving locations and shrank them in those locations they departed fueled intermittent concern for this regional reality, despite the fact that no component of the multiscale deconcentration trends, save the nonmetropolitan "turnaround", was new to the 20th century.

As is to be expected, then, regional policy suffers ultimately because, while it captures and conveys the scale of economic life, it cannot make a compelling case for itself in the absence of legal borders and a political constituency. The regional policy initiatives that we have seen since 1960 have been hindered by the absence of these basic political requirements. Take for example the EDA. Despite some of the finest staff work around in the past decade, the Economic Development Administration of the Department of Commerce became the target of much criticism in the late 1970s and early 1980s. As "distress" was discovered to saturate the nation until three-quarters of the nation's counties were judged to be the proper target of agency initiatives, their mandate, like our very understanding of distress in the first place, was stretched to the breaking point.

Inspired by the logic and apparent success of the Appalachian efforts, regional commissions too began to proliferate. Nominally created to enable states to tackle problems that spilled over state boundaries, gradually they became just another level of government

which made the federal system such a morass and action in the intergovernmental arena so frustrating. In the eyes of some, resources channeled to regional entities soon became just another pot of money for state governors without providing assurances that problems of extra-state scale would be handled any more sensibly. So, while the concept of "region" respects the scale of social and economic organization and change, it has not been easily or sensibly assimilated into the federal system and thus remains politically suspect.

Reflecting the frustrating politics of intergovernmental relations in the past decade or so has been the rise of a variety of political coalitions, ranging from the ad hoc and issue-specific to those that translate virtually any taxing or spending activity of the federal government into regional terms. These regionally defined interest groups have attempted to breathe life into regional politics on several occasions. The Northeast-Midwest Congressional Coalition, for instance, has had the allegiance of over two hundred congressmen from the Frostbelt whose commitment to this scale of activity has been predictably miles wide but only an inch deep. Their regional challenges have been met by the efforts of coalitions such as the Southern Growth Policies Board or the Sun Belt Council - collections of interests nominally tied to the fortunes of the South. A whole range of interregional bones of contention have been gathered and chewed on with great gusto during the past decade.

The position of the South, emerging as the heir-apparent growth pole of the nation in succession to the West as well as the continuing locus of the bulk of the nation's poverty, is an envious one in this regard. The South today exhibits just the right mix of circumstances to encourage it to adopt a righteousness about the economic growth that has been taking place at rates that often exceed those in other regions, as well as a defensiveness about efforts from other quarters to slow down or redirect this growth which is viewed by some to have come at the expense of other regions. The South soon realized that it was a useful set of advantages to possess if you can claim to house the bulk of the nation's poor and be the setting for unprecedented growth, all at the same time. Likewise, the North, which was yielding its historical advantages across many fronts, could pose as a "victim" in this process while still leading the nation on most indicators of economic development. Differing relative growth rates could be viewed as "decline" in the North or "catching up" in the South, and who could say who was wrong? As regions attempted to protect their own, and battle was waged as much in the popular press as in the legislative process, statistical "facts" were not difficult to marshall; the trick was the normative task of interpreting them. Values and world views, not the absence of empirical analysis, hobbled the efforts to quell these intermittent regional flareups.

Another characteristic of regional analysis is that it is oriented toward long-term dynamics. Just as "region" as a scale of analysis may reveal clear patterns in the larger scope of a nation's development history, it likewise may allow us to anticipate developments over relatively long periods of time into the future. Yet, regional analysis may not be a sensible guide to day-to-day policymaking. The intellectual vehicle of "the product cycle", which informs so much of our understanding of interregional change and shifts in regional comparative advantages, is best seen in such relatively long historical sweeps. As maturing regions lose their hold on the productive capacities that once made them strong, and as metropolitan areas become the urban arrangements of importance, we see that states and older industrial cities whose boundaries, unlike those of regions and metropolitan areas, are politically fixed emerge as the important players, since only they are able to express the pain accompanying changing regional fortunes. The tendency for that pain to prod us into thinking that something must be wrong, and that policies must be tooled up to prevent such pain, overlooks the possibility that the transformation of local and regional economies may be largely as inevitable and beneficial as they are painful. The convergence of regions over time, which was once the stated goal of explicit national public policies, may finally be upon us; that it should be the consequence of developments that lack the blessing of consensus politics may be largely unavoidable, but surely not surprising. It is hard to justify short-term policies that influence directly these long-term trends.

Ironically, at the regional level, as is the case at lower levels of analysis, we often do not know how to define or measure "success", so the policy discussion shifts to something that we feel we can have some control over. If the *direction* of change is not amenable to decisive policy control, perhaps the *pace* of it can be. Yet even this overlooks the historical experience of the previous century, which saw an essentially agrarian nation dragged kicking and screaming into the urban-industrial era. Along the way there were few explicit policy or cultural supports for the industrial cities that grew up to service the industrial era - or for the city life that people were destined to live within them. In reality, we have long despised the cities that reflected the nation's changing economy. Only as these cities themselves have begun to be unraveled by the events that mark, in the minds of some, our exit from the industrial era have we suddenly discovered our emotional attachment to the now waning forms and functions of these industrial-era cities.

The Weakening Case For Explicit Spatial Policy

Borrowing an arrow from the quiver of urban analysis, much effort was expended in the late 1970s to demonstrate that the often inadvertent and unintentional consequences of a variety of spending and taxing and other policies have indeed had spatial impacts which, if aggregated at the regional scale, can be used as evidence of the systematic bias of federal policies in favour of some region or against some other region. One way to keep score involved the use of spending and taxing ratios, where the patterns of balance of payments across states are supposed to be evidence of the lurking inequities of federal policies. Yet, the long-term reality is that even these aggregative disparities between regions are lessening. According to a recent *National Journal* article (February 7, 1981), the reduction of regional spending imbalances is due less to intentional regional policies than to the overlay of federal government taxing and spending activities on the growth dynamics of the nation. Should it surprise us that the redistributive capacity of the progressive federal income tax, for example, will logically result in shifting resources from rich to poor households, rich to poor states? That this redistributive process may be even further advanced by uneven growth rates which operate to favour traditionally poor states disproportionately is often lost sight of.

During the past decade the role of the federal government in responding to regional disparities became a subject of great concern. The belief emerged that a renewed federal policy presence was appropriate in order to retard, if not reverse, the patterns of interregional change. Mandated impact analyses at the local level, as well as the more specific concern surrounding the spatial implications of such mechanisms as accelerated depreciation schedules and public works subsidies (such as sewer and water construction grants), were prime examples of the building spatial sensitivity at the level of federal policymaking. No respite was in sight from the difficulty of resolving contradictory federal goals involving the worth and benefits accruing to the entire nation as a result of such things as the interstate highway system, the unparalleled expansion of homeownership opportunities as a result of VA and FHA loans and mortgage interest deduction provisions that favour homeownership, the expansion of water and sewerage hookups in developing comunities, and a host of other initiatives and activities of the federal government. These traditional functions of the federal government were increasingly poorly received by local urban as well as regional spokespersons who lamented the dispersion-aiding impacts of these activities.

Increasingly, then, during the past decade, the identification of a sensible role for the federal government in the growth and development of the nation was held hostage by the redistributive considerations of a spatial variety. Growth and development policy within and between regions became the accumulative result of the hassles within and among metropolitan areas and multistate regions. By the late 1970s even this nation's explicit urban policy was tied to a set of often contradictory policies that reserved for special focus what happened in specific places. Perhaps it is now time to acknowledge that while every activity of the federal government does indeed have a spatial impact - that is, a consequence for a variety of "places" from blocks in a community to multistate regions - the principal role of public policy should no longer be to orchestrate a splendid array of such policies. The structural changes in the economy and the expanded and distance-dissolving capacities of technology have left us a society and an economy in which "place" matters less and less. Only our political system still reliably responds to place-oriented considerations. Is it not wiser, then, to adopt policies whose principal and explicit purpose is aspatial - whose goal is to assist people, more than places, to negotiate the difficult transition to new economic and social circumstances? If so, it is time to box up our regional policies and put them back on the shelf.