

# Issues Facing Urban America

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I AM NOT REALLY sure why I am here to open this conference, except that it may have something to do with the devolution of responsibility to local officials in the new transportation legislation.

I am not a transportation expert. I am not a transportation planner. I am just a former politician at a place—the Institute of Politics at Harvard University’s Kennedy School of Government—that someone from *Time* magazine referred to as a kind of Betty Ford center for recovering politicians.

Actually, when I was the mayor of Seattle, Washington, I got into transportation in a big way. I was forced to build a large and uncommonly expensive bridge. I did not really want to. I also tore up a perfectly lovely downtown in order to build a huge underground transit system.

An author who visited the city while the system was being built was asked by a reporter what she thought about the town. She said, “Well, it is a beautiful town. Why are you tearing it down?”

That was a good pertinent question in Seattle for several years. So, I am into transportation, at least in terms of those big projects, and the reason I am here is to talk a little bit about what I have learned about dealing with diversity and constituencies in order to get things done.

I have to tell you my bridge story. When I ran for office in 1977, I was the only one of 14 candidates who did not promise to build a bridge between downtown Seattle and West Seattle, a community of some 50,000 people who had to travel over an old, worn-out bascule bridge every day. There was tremendous traffic congestion, and the bridge, which had to be opened for all the port traffic going through, sometimes would not work. It was a nightmare.

Everybody wanted a new bridge, but there was no money for a new bridge. I told people that. I hadn't run for office before; I didn't know that you were not supposed to tell the truth.

I said, "We don't have the money for this bridge, and besides, if we build this bridge without thinking a little bit more about it, it might have some awful consequences for West Seattle. Your housing prices might go up, or the character of your fine little community might change if people could get over there in about 8 sec."

People thought about that. I got 54 percent of the vote in West Seattle.

A few months later the police dispatcher called the mayor one Sunday at about 4:00 a.m. and said, "Mayor, a ship has just run into the West Seattle bridge, and the bridge is stuck in the open position."

The voice on the other end of the line responded, "Well, call the mayor." The dispatcher said, "Well, I am calling the mayor." The mayor said, "No, call the new mayor." Some six months into my job, the police dispatcher didn't even know I was the mayor. He had called the former mayor at 4:00 on Sunday morning to inform him of this calamity.

He then called the new mayor, me, and told me that a ship had run into the bridge. It was a freighter carrying cement to a plant. You may recall the incident—the ship was called the Chavez.

The question for me—my first big transportation decision, my first military decision—was, "What should we do?" I said, "Seize the ship," which we did, for \$5 million bond.

After that lesson, I built the new bridge. It cost \$150 million, which seems like a lot of money for a bridge, and it isn't even pretty.

Building the transit tunnel taught me a little bit about diversity. I think we did a smart thing: we built the first leg of the transportation system of the future, buying with 1985 dollars the first piece of a transportation system for the 21st century. It cost \$500 million, and the entire downtown had to be torn up to do it, but I felt that it was a good investment in the future.

In building the tunnel, I took tremendous political heat from all kinds of people and had to confront a major issue that tells us something about the political climate both now and in the future. One day some granite showed up in the tunnel. It was granite from South Africa.

Metro, which is a strong public utility with a good reputation, runs two transportation systems: one for people and one for waste water. Metro almost came apart over this issue of South African granite. That episode, and some high-handed management of the siting of two treatment plants on the shoreline, taught Metro a lot about diversity and inclusion. The failure to appreciate and include diverse groups and people probably cost Metro's executive director his job and surely contributed to a federal judge's finding that the governing body of Metro should be replaced because it was not representative.

My new job at the Institute of Politics is to inspire young people to get into politics. The Institute was started by Robert Kennedy in 1966 as a living memorial to his brother Jack, who was so inspired while at Harvard.

One of the ways in which we try to accomplish our job is to invite people from the political system to come to the institute for a semester to interact with the students and teach.

We invited two women last semester: Unita Blackwell, the mayor of Mayersville, Mississippi, and Maria Antonietta Berviozabal, a council member in San Antonio, Texas.

They taught me about infrastructure in a way that I won't forget. Unita is an African-American woman who grew up in Mayersville, Mississippi, and was basically excluded from the political system until the Civil Rights movement, when she became a pioneer and leader.

One of the reasons she got involved, she told students, was that cars and trucks going by on the unpaved road in front of her little shack caused the sky to be constantly full of dust, grit, and dirt.

Nothing was ever clean. Clothes were never clean. The laundry was never clean. The kids were never clean. It was just a dirty place. She used to walk down that road to city hall and stand in front of the building in which she could not vote and wonder why in the world she couldn't get a better road in Mayersville.

Well, she ran for mayor, and when she was elected, there was a fine road right in front of her house.

Maria Berviozabal lived in a barrio outside San Antonio, in which, as she describes it, they had a swimming pool just like the rich folks, only

the water didn't smell good. There was no waste water treatment system in that part of the city.

Maria also wondered why that was and what she could do about it, and when she became a member of the San Antonio City Council, she took care of that little problem.

What I am talking about here is a definition of politics—in human terms, in terms of diversity. I know people don't like to say that dirty word much any more, but we are talking about politics, inclusion, and just plain human activity in a time of rapid and disquieting change.

I want to address not only some things I know a little bit about, but also two conference objectives.

The first objective is to develop a better understanding of the context within which decisions are made in metropolitan America—I will call it America's regions—and how to make transportation planning relevant within that context.

The second objective is to recognize and include the opportunity for expression of the diverse interests concerned with and affected by metropolitan and regional transportation planning decisions.

Four primary forces will drive much of what can and will be done in the public sector during the next 10 years or so:

1. The continuing structural cost growth of subnational government and the growing economic impotency of the United States;
2. The increasing economic and racial isolation, not just in central cities, but in small cities and towns;
3. The deepening discontent with the performance of government and politicians at all levels—the antigovernment, antipolitics current; and
4. The growing mismatch between the geography of domestic needs and the geography of government, the primary means of meeting those needs democratically.

The extent to which you understand and adjust to these forces is the extent to which you will be successful in your work.

The first major force is cost growth and economic impotency. Government at all levels is strapped, yet government in the United States spends a horrendous amount of money. We spend \$4,000 per capita per year on state and local government. That is a lot of money. That is more than the per capita income in most countries.

Just 7 years ago, more than 30 percent of American cities had strong positive budget balances. Today, that figure is only 5 percent. More than 26 percent of American cities have negative budget balances. All cities have reduced capital spending, incremental annual budget growth, or both. They have cut back, raised taxes, reduced the work force, frozen hiring, reduced services, shifted services to other levels of government, and adopted other means of raising revenue.

Seventy-three percent of cities, according to the National League of Cities, increased fees and service charges during the past 2 years. Nearly 50 percent raised property taxes. Forty percent imposed various new fees and charges.

*The New York Times* reported late last year that the wave of new taxes and tax increases in state and local government compares to only two other periods in U.S. history—the depression and the early 1960s when the bills came due for the education of baby boomers. State and local taxes rose 10 percent in the last 10 years alone.

During the 1980s, federal dollars, as a percent of city budgets, went from 12 percent to 4 percent, and state contributions to cities declined by 2 percent.

An interesting way to look at this change in the decade is to look at a simple ratio. The defense dollar to the housing dollar ratio in 1980 was 7 to 1. In 1992, it was 46 to 1.

It is not that the United States is broke. As I said, we spend a lot. Germany will spend \$1,500 per person (man, woman, and child) this year alone just to help finance the cost of reunification. If you have a mission and want to carry it out, spend a lot.

Well, we are spending a lot of money, but I am not sure that we have grasped the mission. You know the story at the federal level—a \$400 billion deficit and \$300 billion spent annually on interest on the debt alone. Add defense and Social Security, and the result is close to 80 percent of the budget. We seem to be hamstrung in terms of dealing with that.

States in particular, partners in the new transportation law, are frozen in the headlights of runaway health care and welfare costs, rendering states, which I think are much better regulatory, financial, and planning agents than the federal government, impotent precisely at the time they are needed.

State and local problems such as these are not likely to get better until and unless some major national problems, such as health care costs, are resolved. Poverty is the single biggest driver of local government costs

and the growing urban crisis. It is nitro to the glycerin of immigration and racism.

The second major force is the increasing economic and racial isolation in the United States.

The Congressional Budget Office figures on disparity were on the front page of *The New York Times* recently. Almost two-thirds, 60 percent, of the growth in after-tax income of all American families between 1977 and 1989 went to the wealthiest 660,000 families, whose household incomes are at least \$310,000 a year. Average pretax income of families in the top 1 percent went from \$315,000 in a decade to almost \$600,000 in constant dollars, a 77 percent gain in 12 years, whereas the income of middle or median income families increased only 4 percent, to \$36,000. The bottom 40 percent on the income ladder actually saw a decline in their income during the decade.

Families in the top 1 percent paid less than 27 percent of their income in taxes in 1989, 35 percent in 1977. On the other side of the coin, and on the other end of the urban transportation system, 2 million more people live in poverty today than 2 years ago. One in 10 Americans receives food stamps.

Black males compose 3.5 percent of the college population and 40 percent of the jail population. Children, not the elderly, are by far the poorest, most endangered class, in this society.

I was at the German Marshall Fund the other day looking at a report on six cities—one Canadian (Toronto), three European (Frankfurt, Glasgow, and Rotterdam), and two American (Atlanta and Chicago). Reporters, academics, and politicians had traveled in a kind of intercultural, international team to these cities to prepare a “report card” on them. The Europeans were shocked at what they saw in Atlanta and Chicago. In the report, they stated that for the first time they recognized the frailty of the United States. The number of homeless people, the poverty, and the way people talked about the future shocked them.

People who will make up the work force in the future—85 percent of whom are foreign born, minorities, and women—are today falling through the cracks in the cities of this country, which ought to be some sort of message to us about better managing the future.

The third major force is the deepening discontent with politics and government. In 1964, 78 percent of the population agreed that most of the time they trust government to do the right thing. You can't get 78 percent of the people to agree on anything today. In 1991, that figure

had dropped to 36 percent, a tremendous disinvestment of confidence in the decision-making process.

At Harvard University's Kennedy School of Government, where we think that the government is something that ought to be preserved and worked and used and managed well and is worth going into, you ought to hear people talking about the House of Representatives banking scandal. You ought to listen to people who have changed their minds about term limits. You can almost hear them grinding in the same inexorable way toward some sort of imbedded dissatisfaction with government.

I talk to students all the time. Very few of them say they will run for office. A number of incumbent members of Congress will not seek reelection.

A training program consisting of 6 days of briefings on issues is conducted for newly elected members of Congress every 2 years at the Institute of Politics. Last time 41 people attended. This time we are thinking of building a new wing on the Kennedy School for the 100-plus new members. It is going to be a watershed year for change in Congress.

Politicians have had it with the system. A senior member of the U.S. House of Representatives was at the institute recently. He wanted to discuss what was happening with the destruction of the nuclear weapons in the former Soviet Union and about the work force of the future. He also wanted to discuss, as everybody in politics does, what television and politics will be like during the next 10 years.

He is a man who is discouraged about the process in which he works, a process driven by money in which one buys access and then flagrantly admits that that is the way the system works.

The fourth major force is the growing mismatch between the geography of domestic needs and the geography of government. The language of the European community, which includes a coalescing of interests the likes of which we cannot imagine in even some of our close-knit communities, does not include the word city. It includes economic regions and regions that cross international boundaries.

When we talk about metropolitan areas, we are really talking about regional economies, usually concentrated in and around large city-centered metropolitan areas in which the free market decides job and business location and income, race, and suburban zoning decide where people live.

For the first time in U.S. history, more people live in the suburbs than live in the cities, and the jobs have followed them. In the last 4 years, Philadelphia lost 60,000 jobs. In suburban Philadelphia, job growth was up 600 percent over the city.

The 10 largest metropolitan areas, which contain 20 percent of the population, received 50 percent of the immigrants to this country between 1989 and 1991—and they didn't all settle on 1-acre suburban lots.

The National League of Cities recently conducted a survey on the disparity between central cities and suburbs. It found a dramatic correlation between the economic well-being of the central city and the health of the region. The extent to which these disparities in income between central cities and suburbs grow is the extent to which the economic region itself deteriorates.

Newark, New Jersey, is on the bottom of the list with a per capita median income of \$7,600 in the city and \$25,000 in the suburbs; for Boston, Massachusetts, the figures are \$13,000 in the city, \$30,000 in the suburbs.

In 1980, city income as a percent of suburban income was 89 percent. By 1987, it had dropped to 59 percent. There is a direct correlation between the economic health of the region and the economic disparities among its parts.

America's economic regions, in short, are becoming collections of isolated places, divided by race, culture, and class, with little civic culture across the broader community. With one or two exceptions, no government structure or means of governance is in place to allow for democratic decision making across the real community, and there is no constituency for these emerging regional communities.

The problem is that there are regional problems and local governments. There are huge policy implications for all of you in all of this.

What should we be doing to try to understand these places better, and what kind of policies should we be looking at that would help us to improve the governance of these places, to improve democratic decision making, to deal with the growth of these special governments that often are not accountable and extraordinarily powerful? How do you engage in transportation planning if you can't get people together around a table, or if the table gets unelected or thrown out because South African granite shows up in the project, or somebody challenges you on the basis of one person, one vote, as happened in the case of Metro? We need to know a lot more about the way these regions work, and we need to change the way we think about them. We need to change dramati-

cally the way we think about how these things really work, not the way they were designed, not the way a politician—a mayor or a council member or someone—describes them, but the way they really work. We need to know a lot more about that.

The regions need to figure out some process to define themselves in terms of their behavior as an economy and their behavior as a community. It is important for these places to work better, meaning becoming more broadly accountable politically, more efficient in providing needed regional infrastructure and services, more inclusive of the increasing diversity, and more sensitive to equity issues across race and class lines. Maria and Unita, in other words, need their roads, and they need their waste water treatment systems.

We at the Kennedy School believe that even if it were possible, new metropolitan government structure would not cause these places to work better. No one says anymore that bigger is better.

Even in eastern and central Europe, where market economies are replacing command economies, attempts are being made to create an intergovernmental system that is decentralized down to the local level. Decision making is being decentralized.

That is what we are trying to do in education reform. That is what we need to be doing more of in terms of reforming our government in these important regions of the country. We need new coalitions and new approaches to governance—not to government structure, but to governance.

When I first was elected mayor, I used to get on a plane every month and go to Washington, D.C., to see my senators and come home with a federal grant, thinking I had done my job. I didn't even know my suburban colleagues who were mayors and council members. They didn't know me. They didn't like me much because I was on television all the time, and I was the mayor of the biggest city. When I tried to talk to them about going with me to the legislature, I found out that most of them were Republicans (I am a Democrat).

If I was short on friends, so was my city. During the last 5 years that I was mayor, I tried to build coalitions. The stake of the private sector is huge. The private sector is walking away from the central city. Business used to be the greatest advocate for regionalism. Now, increasingly, they are walking away from that fight. They are saying, "Why spend any time on this? It is just not working." The private/public governance partnership in this country must be resurrected.

I would like to share one response to the question, “Well, how do you fix this?” It comes from an academic, former dean of the Kennedy School Bob Putnam.

Putnam studied Italian cities during most of his career, and he has written a book on them. He looked at cities that are Communist, Catholic, Protestant, big, rich, poor, chaotic, and tried to figure out why some work better than others. He found that it is not because of ideology, religion, or political structure. The one factor running through all of these cities that is a predictor of a high level of confidence in the way that city is operating is something called civic involvement. That is it. Nothing else predicts it.

It can be any kind of civic activity (e.g., quilting societies, Rotary clubs, etc.). If the level of civic involvement is high, then people are generally satisfied. They are up to that 78 percent level of confidence in government if they are part of the action. It is just as simple as that.

What is happening to this country now in the face of sprawl and increasing diversity is that the sense of community or civic participation has not expanded. In the almost exclusionary impulse to find security and safety and relief in some suburban enclave, we seem to have lost this sense of civic involvement on a broader community level. Somehow, if we can all work on getting some of that back, we will be making some progress.

The bottom line for transportation planners is this: I don't think you can build fancy transportation systems across some of these chasms that are opening up in American society. You just can't do it. You will have to find other work. You cannot connect burning downtown buildings with one-acre lots in suburbia. You cannot connect rich places with poor places. You cannot connect all white places with all black places. In your public enterprise—transportation—as in perhaps no other, it is so true that your end of the boat cannot be allowed to sink. The stakes are huge in figuring out how to keep both ends up so you can connect them with this wonderful talent that you all bring to bear on the problem.