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Take-home exam 2**

*"The reconciliation of growth and the environment...is the vast and grand work of the 21st century.”*  Kevin Starr, California librarian

Each of the authors read in this section address, in differing ways, the relationship between urban development, power concentration, and distribution of wealth in the Seattle region. The focus is on three main core industries (aerospace, software, and biotechnology) from economic, social, and political perspectives, and on the efficacy of community response to corporate decisions. In this paper, I will argue that authors Sell, Morrill and Sommers, and Gray, Golab and Marusen use different approaches to make a similar case for laissez-faire economic principles. I will then present an alternative perspective exploring the human side of economic growth, as represented in the works of Portney and Bodley. Finally, I will provide an analysis suggesting that an increased, incremental, consistent approach to business regulation will provide the best opportunity for balancing economic growth and community concerns in the future.

Of all the authors in the “Adam Smith” group, T.M. Sell’s treatment of the history of the Boeing corporation is perhaps the most even-handed. His focus is on the “paradox of growth”, the condition of corporate growth having a greater negative than positive impact on the community into which it expands. Sell details the double-edged sword which was Boeing’s business model: it could afford to employ large numbers of skilled workers for high wages , but was completely dependent on inconsistent customers with drastically-varying demands, causing it to demonstrate “bulimic” tendencies in hiring and firing (Sell, 26). He discusses how Boeing faced increased legislative and community pressure in later years, first through toughened environmental regulations, and later through the 1990 Growth Management Act, a bill that required corporations to set aside dedicated areas for development and ensure that local infrastructure was developed ahead of corporate construction (45-48). He touches briefly on the potential inequities created when massed wealth is used to purchase a relatively larger share of the public discourse. “The assumption here is that wealth equals power; it is probably safer to say that it is a necessary but incomplete ingredient, like oxygen to fire.” (115). While acknowledging that a potential for power differential is created by wealth, Sell explicitly avoids the implication that the two always go hand-in-hand.

Morrill and Sommers take a more general approach, inspecting a variety of urban development theories that might caused the emergence of Seattle as a locus of computing and biotechnology. They discuss demographics, the creative culture of the urban center, the conjunction of the Gates family and Boeing Computer Services, and the emergence of Microsoft as a monopoly (Morrill and Sommers, 13). The authors conclude that Seattle’s current state is equal parts serendipity and urbanist/agglomeration-driven.

Gray, Golob, and Markusen explore similar ground to Morrill and Sommers in evaluating the “hub and spoke” hypothesis, the significance of which is to explain why, despite economic booms and busts, certain areas of the world seem more suited to hosting specific industries than others. Using Seattle as an example, the authors speculate that Boeing, Microsoft, and Fred Hutchinson act as hubs, serving in various ways to help cultivate a culture, a workforce, and a set of niches in which other smaller players can thrive.

Each of the above authors covers the narrative “what”, and some speculate on “why”. However, none of them adequately treats the “how”: how did corporate changes affect the lives of the people caught up in the process, and what should be the appropriate civic response to those actions? Each appears to feel that the answer to that question is unimportant; corporations develop, they seem to suggest, in whatever manner they see fit, and any attempt to influence it is an unhealthy interference with a natural process – even the question is out of bounds. This is the canonical definition of laissez-faire economics.

It is clear from the historical record that employers felt free to expand as quickly as possible, spending little time concerned with the results of that expansion. It is also clear that, under no community obligation to buffer the citizens from the results of cyclical contraction, corporations caused serious community damage when pink slips were handed out. These facts suggest that some regulations directing growth in positive directions and insulating individuals from the devastating effects of job loss might continue to be desirable.

The remaining authors are interested in more community-minded subjects. Portney catalogues the role of citizen involvement in sustainable cities programs across the country. His treatment is introductory: he explores attempts to arrive at a common definition of sustainability; he analyzes the differing components contained within sustainable cities initiatives; he evaluates different types of civic engagement and compares the varying social and political rationales behind the programs and the level of involvement (ranging from communitarian to technocratic) (Portney, 580 – 583). He makes explicit not only the need for programs that ensure the livability of regions in which economic growth is happening, but details many of the possible reasons for such programs succeeding or failing.

Bodley uses quantitative data to explore the questions of power concentration and social inequity caused by urbanization. By using various metrics (household income, debtor/creditor ratios, property ownership, and bank balances) and organizing them by community size, he shows definitively that all the economic metrics increase with the urban concentration. Troublingly, he also shows that the size of businesses goes up but the count goes down as the urban center size increases, indicating that, in cities, fewer individuals control a much larger slice of the available wealth (Bodley, 378). Bodley’s goal is to gather data to support the power-elite hypothesis. In the process, he also reveals the consequences of increasing urbanization for individuals. Wealth, Sell’s “oxygen to fire”, is more pronounced in urban areas, in the hands of the few. It seems unlikely that this would have any effect but a de-democratizing one on a region.

Both Portney and Bodley, through their choice of subject, choose to cast light on the concepts of sustainability and inequity. By acknowledging that individuals have much at stake, and much to lose, within a scaled-up urban community, each suggests that the issues are worthy of substantial further exploration. They introduce, into the larger picture of important organizations doing influential things, the concept of considering the needs and dignifying the concerns of the rank-and-file who power the corporate machines.

Any legislature is capable of assembling a set of regulations that will destroy the ability of a business to operate. At the same time, hard historical lessons demonstrate that the sociopathic entity that is the corporation must be regulated, because it rarely pursues a course of action that will, in the long run, benefit communities and itself equally. Bodley’s work reinforces this view – the natural tendency, exposed by his research, of power to accumulate more power highlights the need for a sensible course of regulatory action that will protect the interests of the community. Based on the evidence provided, it seems reasonable that existing sustainability and guided growth regulations are, if not necessarily inadequate, dated and crude. Further gradual incremental, continuous regulations tailored for each community and considerate of the needs of the corporation to continue operating seem, by far, the best solution.

Word count: 1200

**Works cited:**

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