



# Why Leadership Is Changing In Cities — And Where It's Headed

*By Otis White*

**B**lame it on the Growth Machines. Until the late 1970s, it was no great trick to figure out who were the influential people in most cities. They were the same in Boston, Los Angeles, Atlanta and Chicago: bankers, newspaper publishers, utility executives, developers, and a handful of landowners.

These business people were so dominant in most places that, in the early 1970s, a sociologist at the University of California gave them a name. He called them "Urban Growth Machines," because what brought them together — and made them so interested in local politics — was their interest in promoting local growth.

Today, there are no small power groups left in most cities.

Why? What caused the decline of Growth Machines in city after city? And what is replacing these old power coalitions?

## **Focus, Skills and the Law**

To answer those questions, you have to know why the Growth Machines were powerful to begin with. It was a mixture of focus, skills and law.

What made these business people different was their focus on the local market. If you wanted to sell more newspapers, open more bank accounts or fill an office building, the market had to grow. So more than most, these business people had a motive for local involvement: All their eggs were in one basket, and the only way for the eggs to grow was for the basket to grow.

They also had the skills for leadership because they knew a great deal about the local business and political communities. By the nature of their work, bankers, utility executives and developers were in and out of a lot of different businesses. It gave them a wider view than most — and an important set of connections.



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They also had good political connections because they were either regulated (banking, utilities), partially regulated (developers and landowners) or simply interested in politics (publishers).

Finally, they were somewhat protected from competition. Banks couldn't be bought across state lines or, in many states, across county lines. Utilities were outright monopolies. Newspapers rarely saw competition because of the economics of publishing and distribution. Developers were the least protected; they shielded themselves through personal connections.

The result was that these were often overstaffed and comfortable businesses, and their CEOs had the time and resources to chair everything from the United Way campaign to the chamber of commerce. Given all that, it's little wonder these coalitions held sway for nearly 40 years in many cities.

### What Happened to the Growth Machines

So what happened to the Growth Machines? Starting in the 1970s and escalating in the 1980s, they were bought up, broken up or deregulated.

The first to go were the newspapers, which were bought by big newspaper chains. Then AT&T was broken up and partially deregulated. The banks were allowed to buy — or be bought — across state lines. Today, the electric and gas utilities are facing a deregulation effort that, some experts say, will have a greater impact on consumers — and cities — than the breakup of AT&T 15 years ago.

The result of these changes has been astonishing. Los Angeles has no major locally owned banks anymore. The *Boston Globe*, once a centerpiece of power in New England, was sold to the *New York Times*. As competition has grown fiercer, the phone companies — AT&T and the regional Bell companies — have become much less interested in local causes than they once were.

Even in cities that have gained from deregulation and consolidation, like Atlanta, things are not the same. Executives move from market to market so fast today, they rarely get time enough in a place to become genuinely influential. *The Atlanta Journal-Constitution* had three publishers in the 1990s, one every other year or so. And it's a locally owned newspaper.

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### New Ways of Thinking about Power

The end of the Growth Machines has left a void in most cities. These coalitions were so dominant for so long that cities have almost lost the ability to think about influence and leadership in any other terms. But let me suggest three new ways of thinking about power:

- **Growth Machines are still important.** Bankers, utility executives, publishers and developers aren't the sum of leadership in most cities anymore, but they are an important part. Problem is, many of these executives are new to the city — and will stay only briefly — so it's critical that civic organizations have a plan for recruiting these people as soon as they arrive and target their successors as soon as they leave.
- **There are new players in the growth coalition.** What made Growth Machines influential was their focus on the local market and sophistication about getting things done. Others could fill that role. Two emerging leadership groups in many cities: college presidents and non-profit hospital executives. I've also run across strong local leaders from such unexpected businesses as beer distributors, pest control companies, architectural firms and car dealers. What unites these leaders is their long-term interest in local politics and economic development and their willingness to learn the skills necessary to create change.

- **It's time to reach out to new groups.** It's a fact of life today that it's easier to stop things than start things in cities. And lots of groups can stop changes that are important to a city's future. Given this, cities have tried two strategies: Keep changes as quiet as possible, on the hope they can slip things past sleeping opponents, or invite all interested parties into the decision-making process as soon as possible. In my experience, the second strategy works better than the first.

In fact, the most successful places do something even more improbable. They actually try to strengthen the leadership of interest groups.

The thinking is this: The stronger you can make neighborhood associations, ethnic organizations, environmental groups and business associations, the more responsible their leadership tends to be. You don't end up dealing with demagogues, but with people who genuinely care about the community.

And something else. You also leverage your resources — through neighborhood associations that work with the police department, ethnic organizations that support changes in the school system, and environmental leaders who support responsible development.

Unfortunately, this isn't easy, and every city struggles with its leadership problems. How do you identify people who ought to be involved? How do you encourage people to step forward? How do you make civic work worthwhile for busy people with many demands on their time?

It was easier in the 1960s when we could leave it to the bankers, publishers and utility executives to run our chambers and United Ways and keep an eye on the politicians. But the old Growth Machines have ground to a halt, and nothing is likely to restore them. When it comes to local leadership, we're truly on our own now.

### **About Civic Strategies**

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