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When one sees an area such as Buffalo that cannot get over dwelling on past, now lost, glory the question always arises, "Why?" What is it that makes looking backward so easy and forward so difficult?

To ask this question is not to belittle Buffalo's past. Ignore the famous architecture of Burnham, Richardson, Sullivan, Wright and Bunschaft. Ignore the hulking mansions of Delaware Avenue, Lincoln, Chapin or Bidwell Parkways or Symphony Circle. Instead, follow most any of the railroad rights-of-way that cut up a large swath of the City's East, South and West Sides and look at the hulks, or vast empty spaces where the hulks once were, of factories that provided jobs for most of the local residents. Look at the great Catholic churches – St. Adelbert, St. Ann, Corpus Christi, Holy Cross, Holy Trinity, St. Pets, St. Stans – that anchored these neighborhoods. Remember that, however presently decrepit, each neighborhood once had a bustling commercial strip of butchers, bakers, grocers and taverns running through it. These were vibrant working class neighborhoods that over time turned immigrants from disparate villages and towns first into Germans, Irish, Italians and Poles and then into hyphenated Americans.

Or look at the middle and upper-middle class neighborhoods that occupy a central northerly trending swath of the city, each almost completely cut off from industry since each is largely insulated from railroad rights of way. Here pleasant, though seldom grand, houses filled neighborhoods anchored by smaller, but more numerous, disproportionately Protestant churches. Each of these neighborhoods had a commercial strip that bordered it, that defined boundaries in the way that rights-of-way defined boundaries elsewhere in the city, and often hosted the public transportation to the downtown, white collar jobs that supported these already American's way of life.

There were smaller ethnic neighborhoods too – Czech, Greek, Hungarian, Lebanese Macedonian, Romanian, Russian, Serb, Slovak, Ukrainian – each anchored to its own church and a small group of purveyors of local delicacies. Small Black and Jewish communities could be located as well. Each thrived, though never equally, as circumstances best allowed it to.

It is easy to look fondly at this past, though its demise had been building at least since World War I. Buffalo was a warm place, if only in its heart. Some would say that the now geographically larger area bearing the same name remains so, despite the great scattering of the residents of those ethnic neighborhoods in the aftermath of World War II. But remembered warmth alone is not likely to explain the choice relentlessly to look backwards. To move in the direction of explaining choice, I wish to focus on the process called economic development and the planning therefore that is endlessly hoped for, bruited about and doggedly pursued in this and other so-called rust belt cities, an activity that seems never to lose its attraction, though never to deliver its promise.

The devolution of cries for economic development from "Make this place just like it once was," through "Provide jobs that will keep our children here," on to "Provide jobs that will keep current adults here," to "Bring us any jobs, good jobs!" finally landing on the plaintive "Bring jobs . . . please," is both heartrending and evidence of an understandable failure to understand the significance of ghost towns. Jobs don't come because one wants them. They may come even though one doesn't want them. They do not necessarily come to neighborhoods that need them. They often come to neighborhoods that don't need them. Economies are thus mysterious and unpredictable. The best one can do is to prepare the ground for their arrival and hope. But such preparation is where theory, and derivatively planning, might play a role.

Now, I am not about to offer a Theory of economic development in the sense that Darwin or Einstein or Freud or Marx or Weber is each taken to have had a Theory. I am not a world-historical figure and so have no pretensions about my ability to offer such a Theory. Instead, by theory I simply mean an understanding of how some things at a given time, and maybe only a given place, seem to work out, ideas that are meant to move thinking along. Thus, I wish to suggest that in Buffalo (and possibly similar places) thinking about and doing economic development suffers from a confusion of at least three different objects of attention: The poor, the working classes seen as an undifferentiated whole and the middle classes. As I pursue this suggestion I wish also to question whether we know what economic development, in contrast to community development, might be.

Start with the easiest of these topics. It is a mistake to believe that economic development will alleviate poverty to a significant extent. The mixture of social deficits, language deficits, and various incapacities, addictions and discriminations that abound in poor communities are so complicated that a job, even a better job with a "living wage," is unlikely to "lift," an odd but telling spatial metaphor, someone out of poverty. Which is not to say that money, whether coming through grants or wages, will not make the lives of poor people better. The lack of money surely aggravates all of these debilitating conditions. Economic development may make it easier to secure that money without the aid of tax-funded transfer payments. Still, it is important to remember that, contrary to what the economists tell us over and over, the economic tide rarely, if ever, raises all boats, much less all boats equally. So, it is a mistake to focus economic development on "solving" the problem of poverty, other than in the sense of making money a bit easier to secure, for most of that problem has little to do with the economy.

Why is it important to remember this? Well, poor people do vote, even if not in large numbers. And poor people are geographically segregated in this, and many other areas of this country, into political entities such the City of Buffalo. They thus get their own representatives who need to get re-elected. To do so they, just as much as every other representative, need to deliver services to their constituents – help with the bureaucracy and an occasional job within and without that bureaucracy. They also need occasions to call attention to the things that they have done for their district. Generally, this means photo ops, getting one's picture on television, or at least in the paper, hopefully standing in the front row, but wherever found, always crowded together with, if not submerged by, others who are responding to the same imperative. Down a tier is a picture on an official web site in business dress with a hard hat and shovel breaking ground or with a big scissors opening something or delivering an oversized check to a local organization, all the while trying not to look too silly. Still lower is standing behind a podium announcing a program. Lowest is the common press release touting some more intangible achievement. To garner such occasions local representatives will try to drive what are commonly treated as if they were economic development funds into the area such elected officials represent.

Securing economic development projects and so campaign publicity materials will, however, do nothing or close to nothing for local or even area economic development in districts full of the poor. Poor people need better neighborhoods. They need supermarkets, dry cleaners, drugstores, gas stations, restaurants, childcare providers and like privately supplied "public facilities." They need safe, secure, airy affordable housing. They need clean, well lit, and well-maintained streets and parks, libraries, good public transportation, good sewers, good schools, good police protection and even baskets of flowers in summer. However, these are matters of simple humanity. Provision of such, or even of facilities such as community centers, are probably better seen as community development projects and should not be confused with, or undertaken as exercises in, economic development.

Perhaps elected officials know that commercial revitalization efforts, housing development, even streets and parks and libraries, are really community development projects, but feel that part of getting reelected, especially of remaining part of a majority party, requires that some nod, however ineffective, be made in the direction of delivering on economic development goals. And most often such projects, under whatever rubric they are undertaken, are an unalloyed improvement in poor neighborhoods. They may also provide good photo ops and something to crow about at election time. However, as an economic development projects they will fail. Retail sales is a small margin business with remarkably large requirement for working capital. Poor people in poor neighborhoods lack such working capital and so are not good candidates for bank loans either. Thus, capital will have to come from other neighborhoods and profits flow back into those neighborhoods. So, commercial revitalization will at best create a few service jobs – cashiers, stockers – for local residents. A few job do not remake a poor neighborhood.

The same is true of residential development and the provision of absolutely essential public amenities. New construction, or even rehabilitation of existing structures, may create a few jobs in the local community, but most of the employment will benefit other areas because these are places where the people who already have the needed skills live. Indeed, if there were a significant number of people in the local area with the needed skills that area would, by definition, not be poor. Some local residents might learn or improve skills on such projects, but such growth in skills does not generally lead to founding a flourishing construction company, much less a construction materials supply company, the kinds of businesses that might actually be part of an economic development effort. Thus, talked of as economic development, commercial revitalization, housing or community facility construction will eventually be judged a failure and as such make life worse, for failed expectations make life grayer.

Of course, economic development in an area may mean that some poor people will have more money, though of course in some cases that more money will be undermined by the gentrification of their neighborhoods. But seeing that poor people have more money, even so-called earned income, as if just living isn't an entitlement to some income, will not bring economic development to a poor area. Thus, however attractive as a matter of election and re-election politics, even to speak, much less to focus economic development on the problems of poor people, especially in the central cities where poor people are accountably, but unfortunately, concentrated, is a serious mistake, a category mistake, and an embarrassment as such.

Problems of the working classes, by which I mean groups of individuals who hold, or wish to hold factory jobs, constructions jobs, transportation jobs and service jobs of the kind that in America were, or might have been, unionized in the 1950's, are quite clearly problems of economic development. The difficulty with such a statement is that it is very difficult to decide whether at this time and in places such a Buffalo, economic development is likely to be able to address these problems.

The story of the transformation of the great mass of subsistence farmers, native or immigrant, into factory hands and thus into the working class, and the simultaneous fight of middle class artisans determined not to be reduced to working class status by the displacement of traditional artesianal methods of production with newer factory methods, has often been told and, unfortunately, just as often forgotten. More well known, but less remarked on, is the transformation of a part of the working class into the lower-middle class during the 1950's. This transformation, largely through the unionization of great swaths of the factory labor force at a time when the United States economy was significantly protected from international competition because European industry had been devastated by World War II, was accompanied by the creation of the contemporary structure of most Northeastern and Midwestern cities. Lower-middle class incomes allowed otherwise working class individuals to migrate from central cities to suburban locations, leaving behind an unstable mix of poor people, minorities of various economic levels, and upper-middle, and sometimes upper, class families devoted to urban living, but dependent on private alternatives to increasingly decrepit public schools.

As ought to be perfectly clear to anyone who has not been living in a hermetically sealed environment over the past 35 years, the economy that made this transformation possible has disappeared for all practical purposes. This new portion of the middle class initially coped by shifting to a two wage earner model of family life. Such a model is at best precariously stable; the loss of one job immediately tosses a family into first, increasing debt, then relative poverty. Adding insult to this ever present possibility of devastating injury is the transformation of norms in the upper reaches of the middle class, where the gradual acceptance of college educated women in the workforce at professional or near professional, if not necessarily equal, earning levels, accompanied by a further extension of the model of the two wage earner family, has created a great gulf between the blue collar middle class and the white collar middle class.

The decline of mass factory employment and its replacement with a model, called advanced manufacturing, closer to that of the traditional machinist's job shop, together with the explosion of computerized manufacturing processes, means that individuals who are comfortable in securing some post secondary education and simultaneously are willing to adjust to irregular, but necessary, changes in highly specialized employment that do not generally offer an obvious path for advancement are at a premium in the workforce. This change indirectly, but seriously, raises the question of whether the now largely vanished, unionized lower-middle class of mass production factory employees sought their factory jobs, so-called grunt work, because they were easily available, if deadening, and fit a certain macho image of what a "proper" working man might do for a living. An alternative understanding might be that such jobs were at the limit of these workers' abilities either intellectually or in terms of a preference for learning and working with one's hands, as opposed to the butts in seats method of education and the employment opportunities that flow from such.

Here I have perhaps indelicately posed what is, of course, not really an either/or but partly a cultural question and partly a question of learning style and a lot in between as Mike Rose's work has shown. Unfortunately, it is a question that few people engaged in economic development are paying attention to. The mantra of jobs, jobs, jobs that fits a political need when it comes to constituent service and so reelection, assumes that jobs are fungible except with respect to salary. This is surely not true. If the flood of young men and old into factories was mostly a question of culture and availability, then perhaps any well paying job will do, though one should remember the observation that appears on some of my stationery – Culture eats structure for breakfast. If, however, this flood was a result of hard-wired intellectual preferences for learning and working "hands on," then there are real problems hidden in the notion that pretty much any economic development will bring jobs that will revitalize an area for the benefit of the working classes.

The fabled "New Economy," the name regularly affixed to the results of the transformation of economic life in the past few decades, though of course all economies were new at some point in time, just as factory-centered manufacturing was in 1800, is not friendly toward hands on learning and working. Look at some of the sectors touted as part of that economy. Advanced manufacturing is not hands on; lab bench medical technology is hands on in part, but anything but hands on in whole, unless it is washing glassware. Trucking, a small, retail part of a just in time economy, is still pedal to the metal, except when it is computerized recordkeeping above the level of the local FedEx delivery person and increasingly this is what trucking has become. Back office/professional support is all butts in seats learning and work. If great swaths of the working classes share a preference for hands on learning and working then there are real problems that all the efforts in the world directed toward economic development will have trouble dealing with, at least as part of the New Economy.

This mismatch between preferences for learning and working is made more serious by another mismatch. The period for returning an investment in capital goods is significantly shorter than a working life. For individual workers, skills do not accumulate over the years in the way that invested capital is supposed to accumulate. Redeploying capital after ten to fifteen years is far easier than redeploying labor after the same number of years. In the no more than five-year horizon of the private equity crowd, or the three years of the high tech entrepreneurs, redeployment of labor is impossible, except for the most flexible of recent college grads in low-level administrative jobs and computer jockeys, once the love of the venture capital crowd, both of whom share an even shorter attention span. This is not a matter of old dogs and new tricks, but of sunk costs that have created a life that, though fragile to the cosmos, is solid to the humans in question. For these humans, the long run of capital recovery may never come. This is a serious political problem.

From time to time it is suggested that those members of the working class who cannot make it as part of the New Economy have a future as part of a remnant of the old one, as home maintenance, repair and remodeling craftsmen, or maybe as local store owners. Small businesses of these kinds are likely to be more of a curse than a blessing. First, small businesses require working capital, and while the working classes have more of such than the poor, it is unlikely to be true that there is enough in most such households. Even if there were, given the failure rates of small businesses, it would be quite foolhardy for a business advisor to suggest that putting the available cash into a small business was a good investment. Better a CD or no-load mutual fund.

Second, suggestions such as these ignore the importance of unionized work in the transformation of portions of the working class into the middle class. Small businesses, even relatively successful ones, have lumpy income streams. A middle class lifestyle is built on secure income streams, on salary not on wages. What unionized factory employment provided was the reasonable assurance of a regular paycheck. It turned wages into something a good bit like salaries. With an income stream that showed some resemblance to a salary, it was possible that wages could be made to support mortgage payments, as well as car payments and boat payments and furniture payments and pool payments. Indeed, as a result of this transformation, the working class had available to it the entire panoply of middle class schemes for financing capital expenditures that once were relatively merchant specific extensions of credit, but that now, except for houses and cars, are mostly credit card debt. A return to lumpy income streams, even with ownership, or maybe especially with ownership, is not obviously anything other than an example of second best, again foisted on the working classes in the name of acting in their best interests.

The lack of good alternatives to traditional working class jobs is a serious problem. The working classes vote, more than do the poor I might add. They are less spatially segregated than the poor, spread over city and suburbs and, when searching for inexpensive housing, semi-rural areas as well. Still, those who represent them, just like those who represent the poor, need photo ops. As best as I can tell, here representatives in predominantly working class areas favor public investment in new and improved parks, boat ramps, and stadia, whether high school or vaguely professional, seemingly on the assumption that the children of the working classes need healthy outdoor activities and their parents, family diversions. These are, of course, community development projects again spoken of as if they were something else, usually using the only modestly true mantra that extensive community amenities attract jobs. These representatives also regularly express significant support for expenditures that improve educational opportunities for both children and young adults.

While educational expenditures surely benefit the working classes, the difficulty with public facilities such as those identified above is that they assume the existence of surplus income that in many cases, perhaps most, is not there. They are investments for parts of the middle classes. That said, some sympathy ought to be offered to the officials in predominantly working class areas needing re-election. It is not clear exactly what public expenditures other than in education might possibly help their constituents. While no such representative would pass up the chance to stand proudly in front of a new, or reopened factory in locales that need such, those chances a few. Pictures taken in front of a site where adding a new product line means buying one big machine and hiring three additional workers are not likely to bring forth pubic acclaim. Likewise, pictures taken in front of a school announcing that school taxes are being raised to lengthen the school day so that children get a more complete education, or in front of a community college where those taxes would go toward expanded retraining of individuals who have lost their jobs, are little better. None of these events will have much political traction even with those individuals for whom factory work was mostly a question of culture and availability. For those who have a hard-wired intellectual preference for learning and working "hands on," such events are mostly irrelevant, possibly a sham.

For both groups infrastructure is probably a better investment, though seldom does one see a local representative standing proudly in front of a big hole in which a new storm drain is being sunk, or in front of a street torn up for resurfacing, for while the project is going on the lives of their voters are being seriously disrupted. And brownfields being remediated seldom gather photo ops either, being work done on the basis of hope without reason. And so, again, it is not clear that these public economic development activities likely to be undertaken are going to be of much use to those for whose lives are intended to be benefited.

What then of the middle classes, often described as the backbone of stable government and society? Two things are odd when considering their problems, problems that are more like hangnails than are the problems of the poor and working classes. First, it is at least possible, and I think likely, that the economic health of an area can be correlated with the relative size of the middle classes in that area. The larger the middle classes, the healthier the local economy. Here I use "correlation" carefully. It is very difficult, indeed probably impossible, to decide causation – whether it is the existence of relatively large middle classes that causes economic growth or whether economic growth brings about the development of relatively large middle classes. And it may make no difference.

Second, the middle classes fears about the insecurity of their own position and that of their children make them particularly ungracious with respect to anything that they believe, however rightly or implausibly, might result in a diminution of their comfort – read here home value, or their children's schooling – read here college admission prospects. They will NYMBY to death any change in their settled ways, even when they benefited from similar changes at an earlier point in time. As they have the time and other resources that enable them to become very politically active at the drop of a hat, they most often get their way in matters of public dispute, even when doing so undermines other obvious economic interests of their own.

To work in reverse order, why fear? The middle classes cover a great range of social position in the United States. Mostly white collar, though surviving pockets of well-paid, unionized, blue collar employment still exist, in general the middle classes are demarked by the possession of varying amounts of post-secondary education ranging from the two years now required of new recruits to the Buffalo police force, to the post-professional degree residencies/ fellowships that have proliferated in medicine and the sciences. The real hallmark of middle class social position is a certain amount of income available for discretionary spending – while one can be a spendthrift at any level of income, one has to be at least middle class before qualifying as a miser – and yet the absence of significant inherited wealth. The fear is, of course, that somehow the income will run out.

And this fear is easy to understand. In the years between 1964 and 1980 (to choose arbitrarily, but carefully) the Fifties economy of high wages and secure employment collapsed. It was in that economy, an economy insulated from significant international competition and surprisingly free from significant technological change, that the middle classes expanded in scope and number. Their expansion instantiated the New Deal's understanding of a well-run economy; creating such an economy was the point of the New Deal reforms.

The impact of that economy's collapse can be seen in at least two ways. First is the experience, common to individuals born in the Fifties, of being able to deliver to their children a relatively lush lifestyle, but recognizing that these children are finding it difficult to earn current income equivalent to that of their parents at the same point in their careers. Second is the disappearance of the New Deal's basic impulse to spread the society's wealth because there would be, and then magically there was, more to go around. Lyndon Johnson's Great Society programs turned into the more middle class environmental programs of the Nixon Administration and then sputtered out entirely. Tax cutting, the withdrawal of marginal dollars gathered for the purpose of spreading the wealth and the redirection of those dollars into maintaining social position, became the cause of choice. This cause is best illustrated by one of its earliest manifestations, California's Proposition 13, which protected homeowners who had seen the value of their investment in housing – the rock bottom middle class asset – soar faster than their income and thus found their middle class status threatened because increased real estate taxes on the increased value of their property were eating into the disposable income that measured their social status. Afraid, and perhaps rightly so given economic trends, the middle classes became defensively stingy. They remain so today.

Fear reduction through economic development is a possible strategy, though I doubt a successful one. Still, the modest correlation between the relative size of the middle classes and the economic strength of an area suggests that it might be sensible to focus economic development on the presumed needs of the middle classes, while keeping in mind that the correlation might in the end turn out to be spurious. If this suggestion were to be followed, one might reason in two ways from the somewhat obvious proposition that to be middle class is to be able to undertake a significant amount of discretionary spending.

First, if ever there were a case of demand creating supply this is it. If there is potential money sloshing around, eventually people will come to provide occasions for spending it. And once such opportunities appear in a given locale, others will come to try those opportunities, bringing thereafter other suppliers. Soon it will be said that the area is a "happenin' place." While it would be a clear mistake to refer to such a process as a virtuous circle, it is not inappropriate to notice that this is what has happened on Hertle Avenue once the street and its scape were rebuilt. A middle-middle class neighborhood began to put money into the businesses that somehow seemed to be newly attractive and soon suburbanites started following.

Second, consider the possibility that with more places to spend, more people might be attracted to an area where there were jobs available. And if there were more people who might be willing to come, more people able to create jobs might be willing to try to do so. If more people were to try to create jobs and some succeed, then there would be more places to spend discretionary income and so more people who might be willing to come bringing more people able to create jobs who might be willing to try to do so. This is closer to a virtuous circle. It is surely the assumption upon which Richard Florida's work on the "Creative Class" is built. It may be the assumption on the basis of which much contemporary economic planning proceeds. However, before trying to apply the forgoing analysis of the plausibility of using economic development for the benefit of the poor, the working class and the middle classes by looking at planning for economic development in Buffalo, it is probably sensible to review briefly some of the region's history. As always, there is a legacy here that needs to be attended to.

Though the Buffalo region's relative decline began in the Teens, it still had a quite vibrant economy up through the Fifties. That economy was built on mass production of goods, primarily related to steel and metalworking, by a large unionized work force. During these years the range of economic possibilities for most workers, salaried or hourly, was remarkably narrow. Their income was clustered in a tight middle range and, while it was possible to be very poor or very rich, even the spread between these extremes was modest, at least by earlier and current standards. A certain upstairs/downstairs attitude could still be detected in the society that fostered a sense of obligation to the less fortunate, though such was from time to time disrupted across racial or ethnic lines. The notion that economic development was a general public good still underlay many public programs.

By the Eighties this world was gone. Unionized labor in mass production industries had for a while been on the ropes, the middle class had splintered as both its upper and lower portions expanded while the middle-middle class shrunk in relative size, and the extremes between rich and poor had been significantly stretched. Instead of a sense of obligation toward the poor derived from the old notion that *noblesse* comes with *oblige*, there had developed a multi-faceted separation of interests that left the upper half of the income distribution with the sense that they did not need the rest of the society and so could ignore them. Not surprisingly then, the assumption that economic development programs were a general public good had evaporated.

What was left behind was an interesting social structure among the region's private elite. Because Buffalo had never had a locally headquartered firm that dominated its economy in the way that for example Kodak and Xerox had once dominated Rochester's or Carrier, Syracuse's, the region's elite of old families was rather broad. Its power was therefore not concentrated. Rather, it was quite diffuse and so hard to marshal. However, because of inter-marriage, surely a function of having only two elite private high schools for Protestants, for all its breadth it was also remarkably incestuous. Interestingly, however, as capital in many of the dominant families began to run out, a surprising number of individuals from later generations managed to develop smaller businesses, often quite entrepreneurial. The public elite appeared to be equally tightly knit, again through inter-marriage, though this time founded in the Catholic high school system. However, it was fragmented along ethnic lines, particularly into Irish, Polish and Italian domains. For this reason, its power was also difficult to marshal.

What was left behind at the governmental level was a structure in which local governments, especially the cities of Buffalo and Lackawanna, but also the

County of Erie, have little financial strength from which to build economic redevelopment programs. Thus, area governments have become extremely risk adverse. They are willing to support only those things that they can see themselves profiting from, and so might have supported alone. The result in the City of Buffalo is that what little funds are available are devoted either to projects that can be acquiesced in by most of its residents or projects that can be disbursed in relatively equal small amounts to differing interests. In either case, government does little in the direction of development beyond veto projects that offend any important interest and even then, for most of such projects, its primary activity is begging others for money.

All of this history is made even more complicated by the growth of the City's African-American population with its own, more recent differences over power and place. One might begin to understand how such intricate relationships play out in struggles over plans for economic development by looking at a quite good, if hardly well known, example of so-called "Shelf Art," another of the endless parade of unimplemented plans for the revitalization of the area that, interestingly, has recently acquired a small amount of political interest.

About 2002, a piece of the University at Buffalo, then called the Institute for Local Governance and Regional Growth, joined with several local development groups – the Buffalo Niagara Partnership and Buffalo Niagara Enterprise (essentially twin representatives of the private sector), the Erie County and Amherst Industrial Development Agencies, and the Erie County Executive's office – to produce a strategic plan. In 2004 a draft of that plan was presented to the constituent groups. The draft met with less than universal applause. Indeed, until very recently the project never moved beyond the stage of reviewing a draft.

Looked at objectively, the document was unremarkable. Its ideas expressed little more than the standard planning notions of the day – adaptation to The New Economy and the attempt to attract Creative Class. Indeed, had it been rejected by the constituent groups because of banality one might easily have understood. However, this was not the case. The document was rejected because it was too unsettling to some of the participants in the planning process. This fact alone is intriguing.

The Regional Economic Development Strategy, called "Securing the Future: A Distinctive and Compelling Role for the Buffalo Niagara Region in the New Economy of the 21st Century," accepted as a given that there had been " a shift from an industrial based economy to one founded on information and knowledge," brought by "a changing set of economic trends permeating all sectors of the economy" that included "Globalization," "Knowledge-Based Economy," "The New Nature of Work," "Innovation and Entrepreneurship," and "Quality of Life." It rejected reliance on "firm-specific subsidies to attract new businesses" as a central part of the area's economic development strategy, reasoning that such subsidies were ubiquitous throughout the country, and instead suggested a focus on drawing new investment by improving the region's "Leadership Infrastructure," "Laws, Regulations, Permitting Processes, Tax and Fiscal Policy and Regulatory Climate," "Human Resources and Workforce Preparedness," "Physical Conditions (e.g., shovel ready sites, sensible municipal and country comprehensive plans)," "Community Attributes," "Technological Infrastructure," "Business Foundation and Support," and "Quality of Life." Then it offered the following prescription for facilitating growth:

> The regions should embrace **innovation and entrepreneurship**, countering its risk-adverse tendency with support for product development and the formation of new businesses. Also, **quality of place** will be central in attracting a skilled workforce and new businesses. With the region's service costs among the highest in the U.S., Buffalo Niagara must look to **entrepreneurial governance and regional stewardship** to build cross-border, collaborative relationships that improve the efficiency and effectiveness of the region's public services. Finally, . . . the region's economic development community must begin focusing on providing critical resources for the **development of clusters** of synergistic businesses and activities, such as information technology and biomedical sciences.

Thereafter it identified five such clusters that it felt merited support – life sciences, back office/professional support, advanced manufacturing, tourism and logistics.

The detailed sections of the draft expanded on each of these bullets. One theme was repeated with endless variations. In the new economy the most important economic asset is a "workforce with cutting edge knowledge" and that workers with such knowledge care a great deal about the quality of life in choosing where to work and live as they commit to "life-long learning and skills development" in a world where "lifelong employment" is anything but guaranteed. These workers, the creative class, "seek out places known for diversity and open-mindedness. They look for signs of diversity including people of different ethnic groups and races, different ages, different sexual orientation, and alternative appearances." Put differently, "inclusive communities that welcome gays, immigrants, artists, and freethinking 'bohemians' are ideal for nurturing creativity and innovation."

Another theme noted the need for governments to become more entrepreneurial and for the development of regional stewardship (implicitly contrasted with leadership) directed toward the long-term well being of places (implicitly contrasted with short-term political or economic gain.) Equally strong was the emphasis on the need to foster innovation and entrepreneurship by openly diversifying membership in local networks as well as sources of capital, and by embracing change, especially change directed toward fostering the formation of clusters of similar businesses in emerging areas of the economy, particularly those related to science and technology.

It is said that the constituent groups objected to the talk about gays and bohemians. In an ethnic Catholic area, still a hotbed of right-to-life activism, I suppose this is not wholly surprising, though after years of diversity training directed at business generally one might have hoped for better. What is more surprising is that these constituents wanted to hear nothing about the New Economy and not because there is little new to it. As best as I can tell, they wanted to hear nothing because even hearing about it was unsettling. Why would this be so? After all, some of the constituents represented the private sector, a portion of the community that one would expect to be most attuned to possibilities for profit, and the others represented the public sector, politically charged with responsibility for bringing economic growth to the area as a whole.

Consider first the private sector. Where planning for economic development is concerned, private actors are asked to act as if the public interest were their greatest concern. And to some extent this is exactly what they do, for if profits are to be made within the community as a result of a planning process these are going to be made because the opportunities opened up are opportunities that the various publics will accept, even support, hopefully with tax dollars but at least with infrastructure investments, rather than oppose with governmental foot dragging and various regulatory barriers. Still, if the private sector is going support the planning process, it is crucial that its representatives be able to see themselves in the results hoped for at the end of that process.

Here, though it is said that the business elite involved in the planning process chose the clusters identified in the Regional Plan, I doubt whether many of these leaders could see themselves prospering in any of the five targeted areas of activity identified in the draft report. Life science is likely to focus on the University of Buffalo and the High Street medical corridor. However, both parts of such a project implicate longstanding intra-community disagreements for they implicitly leave out the Catholic Health System and the several small Catholic colleges and universities in the area. The former has all but severed ties to University's medical education program and the latter have little claim to mounting major research programs in the life sciences. Equally important, there are few existing members of the private sector elite with a significant presence in this economic field; foreseeable profit for local elites is dubious.

Back office/professional support is in some ways equally problematic. At best such facilities require the construction of a shell and the provision of goods and services such as computers and furniture, paper distribution and janitorial supplies. Only the two large local banks have any significant need for such services. Thus, the profits earned in this sector largely will be earned by out of town concerns, not by the local business elite. The situation with respect to advanced manufacturing – small batch, heavily computerized, custom made parts – is much the same for there is remarkably little of such activity in the area. And, to the extent that growth is likely in this sector, it is as spin-offs from University research projects or the work of University graduates, a situation that raises the same kind of difficulties as in the case with the life sciences. Again local elites have little likelihood of profiting from growth of this kind.

Looked at critically, tourism is hardly a big attraction to the business elite either. Great art and great architecture may draw a few people to this area and a few more probably will be drawn to the area for sporting events, but Buffalo isn't Niagara Falls and as engineering marvels go the Erie Canal is dwarfed by the Welland Canal. There is some money to be made of course, but not much. That leaves logistics, an area where the region is making modest progress in building an effective cluster of specialized firms, though one of these has recently been the subject of unwelcome press coverage, not the best way to build a reputation in a field where reputation counts for something.

The situation with respect to the public sector is much the same. As I said earlier, public sector elites need to be seen to be doing things, to be delivering to (or for, it has never been clear to me which preposition is correct) one's constituents. These two are not necessarily the same. When delivering *to*, the hierarchy of exposure – photo op, web site, podium, press release – quite directly leads to public works of a certain kind – buildings, not infrastructure; public policy of a certain kind – tax benefits, not administrative simplification; and public expenditures of a certain kind – job creation (or at least retention) through program creation, not job reduction.

Delivering *for* one's constituents can be analyzed in a similar fashion. The question is what kinds of programs can one's constituents envision themselves benefiting from. Well, again tax reduction is always popular, though it is not obvious whether it fosters economic development or whether economic development makes possible tax reduction. So, set that strategy aside; instead, again consider development based on the list of possible economic clusters set forth in the Strategy. Talking of life sciences jobs conjures up visions of advanced science education. Who with such an education is lacking a job and so can see that the expansion of opportunities in this field is likely to be of personal benefit? Back office/professional support jobs are remarkably dependent on advanced, often college, education, at least at some levels, though hardly all. Here one might get a certain amount of constituent interest. Advanced manufacturing is largely dependent on advanced, though not necessarily college, education, but always on computer skills of a kind not captured by the word "gaming." Again, the demand for individuals with such skills is such that one has a hard time believing that many will see that expansion of such jobs is likely to be of personal benefit. Tourism smells of low wages; never before has it paid, nor will it in the future pay, diddlysquat. Not much political draft there. That leaves logistics, a business that few people even know exists, much less what it means.

Now none of this should suggest that the Regional Economic Development Strategy is a particularly flawed document, though it might be understood to confuse planning with dreaming, given that the intellectual underpinnings of the activity seem to include the belief that implementation of a plan will follow ineluctably from the quality of the ideas identified through the planning process. If it has flaws, they are the flaws common to the genre – a bit of faddishness, a quite modest theoretical underpinning and a relative lack of local political savvy. The first is a perfectly ordinary accompaniment to human activity that is indeterminate in outcome. Better to have followed the conventional wisdom in the field than to have nothing but a good idea to fall back on when defending an ambiguous or even failed, outcome. The other two are more interesting and also more narrowly relevant to the Buffalo region. I shall turn to them next.

Start with theory in the sense identified at the outset. The Strategy, like most of the economic development literature emphasizes the growth of an economy centered in knowledge, sometimes rendered as information. It makes clear that knowledge workers need post-secondary education and need to be comfortable updating skills regularly as the demands of knowledge work shifts. The implicit message for young people is get a college degree and expect regularly to need to acquire classroom updates of existing skills, for that degree will not be the ticket to the stable career path that your parents may have had. A post-college degree would be even better, but no less likely to need frequent updating in the name of continuing professional education.

College attendance by children has long marked parents as a part of the middle class. In the Twenties it was expected that boys, at least in the upper-middle class, would graduate from college; in the middle-middle class some attendance was expected. By the Fifties middle-middle class kids were expect to graduate from college – girls as well as boys. By the turn of the Twenty-First Century children whose parents saw themselves in the slice between those two fragments of the broad middle class expected that their children would secure some post-graduate professional degree. And, children of lower middle class parents were expected to secure at least an associates degree; even better would be a four year degree from a second or third class college, an indication that over time the asserted status of the college from which a degree was taken has become the significant mark of parental class membership.

Seen this way, the Strategy is focused on what the middle classes need to do to maintain class position. If one believes that growth in the middle classes will be accompanied by an increase in the health of the local economy, this is a sensible idea. Whether that means that what the Strategy suggests for growth is therefore sensible is a far different question. Life sciences possibly, but no middle class was ever built on tourism. Advanced manufacturing may provide support for growth in the lower-middle class; back office/professional support may as well, and possibly the middle-middle class. I don't understand logistics enough to offer any opinion. Still, there is at least one obvious omission. The provision of post-secondary education itself is a classic engine for the growth of the middle classes; expanding such ought to stand-alone as a part of an economic development strategy. On the wishful thinking side, the implicit suggestion that small enterprises are going to generate enough middle management jobs to support growth in the middle-middle class is somewhat fanciful, though surely less fanciful than the idea, said to have been floated by objectors to the Strategy, that one might build a center of agribusiness activity around the only remaining miller in the area, a cheese plant, a manufacturing complex born of a coffee creamer and a bunch of truck farms.

If all of this is correct, and I of course think so, paradoxically, effective economic development activities may likely benefit those who need them the least. Amherst and Orchard Park thrive because their residents can most easily see themselves as part of the New Economy and they see themselves as part of the New Economy because they have thrived. Even worse, it is possible that supporting their continued thriving is the key to improving the economic health of the area, at least if it turns out to be the case that the greater portion of the working class sought unionized factory jobs because of culture and availability and not because of hard-wired intellectual preferences for learning and working "hands on." This is an anything but optimum state of affairs, politically at least.

So, it is time to return to the question of the political savvy that made it difficult for an economic planning strategy to gain traction. At the time of John F. Kennedy's inauguration, Mike Royko, the great Chicago political humorist, sent his everyman, Slats Grobnick, precinct captain and loyal Democratic Party foot soldier, to the monthly meeting of the precinct captains with the Ward Committeeman. Proudly Slats repeated Kennedy's famous line, "[A]sk not what your country can do for you – ask what you can do for your country." The Ward

Committeeman, eschewing the possibility of a Ciceronian quotation, replied, "What's in it for me?"

Tom Headrick and I recently argued that effective planning is an exercise in getting people to see and be willing to work toward possibilities that they did not see before. If that is not possible, it is probably better to save the trees and other hydrocarbons that go into the production of shelf art. "Buying in," the ugly phrase that planners use to describe participants willingness to work for a plan, or at least not oppose it, is the key. In the Buffalo region buying in requires that one be able to see oneself profiting from the process described in the plan. As suggested above Buffalo's business elite had no reason to buy-in. All the plan promised was that, if successful, there would be new elites at the table edging over the existing ones.

The political actors were oddly few – two Industrial Development Agencies and Erie County Executive. Amherst's IDA was an easy buy-in. After all, the understanding of economic development at the root of the Strategy was designed for the Town of Amherst's largest population – the middle classes. They at least had a real possibility of seeing themselves in the New Economy, however much their fear of it may from time to time cause them to fight individual development projects. On the other hand, the Erie County IDA has a grotesquely log-rolled structure that essentially mirrors Erie County government in its most fractious interest group state. This zoo is anything but controlled by the Erie County Executive. Its interests are obscure when not simply internally conflicting. So, it is sensible to set both entities aside look at the interests of the County as a governmental entity.

Put straightforwardly, the Strategy offered Erie County the possibility of long run benefits, but no short run ones. If the Strategy worked, growth in the area would increase and with it the tax base. In the mean time, it implied that governmental units needed to increase budgets for speeding and possibly slimming administrative processes – read reducing the number of government employees, never a good idea in either a unionized or patronage employee work force – as well as for routine maintenance and services, while limiting capital expenditures to infrastructure – streets and sewers and water and lights. There was not a photo-op on the list, except perhaps in the name of tourism, clearly a sop to all of the elected officials who had touted such as an engine of economic development for so long. Even here there were problems. Potential tourism projects were hardly uniformly distributed across the area. Some towns and legislators would have none.

Even the emphasis on services and implicitly education did not bite evenly. Because of the structure of state government suburban school districts have their own taxing power which when combined with that of their towns is larger than the taxing power of the City of Buffalo for itself and its school system, and this on a tax base inferior to that of many suburban school districts. To make the City attractive to families of the middle classes without the income to pay for private education in a place where the Catholic school system was crumbling, the City would have to improve the school system on the basis of whatever handouts it could wangle from the State and with a cumbrous unionized structure that makes change difficult and expensive. In sum, there was no reason for a political buy-in, except from some suburban towns that were already doing fine without the Strategy.

If these were not political problems enough, implicit, or maybe not implicit enough, there was a trenchant criticism of both the public and private elites in the region. The long list of things that needed improving in the region, especially leadership infrastructure, "law, regulations, permitting processes, tax and fiscal policy and regulatory climate" and physical conditions suggested that these elites had not been doing their jobs. When combined with a call for more "entrepreneurial governance and regional stewardship" it was hard not to see the Strategy as a call to replace existing private and public elites with a group less tied economically and politically to an economy whose time had long passed and so more attuned to current economic conditions. Elites tend to balk at the suggestion it is time to move on. Historically, in such situations some truculence has been noted.

Recognizing the limits of potential buy-ins for an economic development strategy based on New Economy ideas brings me full circle back to the question with which I began this essay: Why does this region preferentially look backward, not forward? After all, our still relative democracy is best understood as a middle class or bourgeois democracy. Private economic actors are by definition part of that democracy and government actors from time to time behave that way as well. One might expect that such actors would jump at a strategy based on the interests of the middle classes.

Except that the region has an ossified, inbred private and public culture still locked in the Fifties and Sixties when it may have been born, scattered with more interests that might block change than there are elected officials. Grudges often survive unto the biblical third or fourth generation, a survival aided and abetted by the fragmented local political structure and magnified by the concentration of the poor and African-Americans within the City's boundaries, boundaries that can be traced back to the mid-Nineteenth Century and that are completely dysfunctional in the Twenty-First.

If one cannot gather together to look forward, back is easy, easier than it might seem. After all, when it comes to economy, law, the major tool of government, works best to slow the pace of economic change. Such is, of course, what local elites want so that they may work their existing capital investments down closer to zero and then move to Florida or Arizona, griping as they go about the passing of the good times. Government is also not bad at providing pleasant, often necessary civic improvements best understood as community development though regularly sold as economic development. However, these projects generally offer little in the way of economic development other than a short-term boost in construction industry employment. In contrast, government does quite poorly when it works to accelerate the pace of change, except when shamelessly supporting private actors who turn out to have been lucky in the investments they have made. Even worse, where economic development, however that might be understood, is concerned, looking forward is difficult since it may well be that the primary effective strategies will help the middle classes, those in the community that need such help the least, and so provide the least payoff for many elected officials and probably are threatening to existing elites. In such circumstances, it may be that looking backward is not the worst possibility. Still, one might hope for something better. Waiting until the old people die off and the poor and working class move away is not likely to be an effective economic development strategy. And we surely need one, for as my title indicates, as a region we have plenty of crabs, but still no barrel.