

Eric Stokan, Aaron Deslatte, Megan Hatch, Exploring the Tradeoffs Local Governments Make in the Pursuit of Economic Growth and Equity, Urban Affairs Review Copyright ©2020 SAGE Publications. DOI: <https://doi.org/10.1177/1078087420926648>. Access to this work was provided by the University of Maryland, Baltimore County (UMBC) ScholarWorks@UMBC digital repository on the Maryland Shared Open Access (MD-SOAR) platform.

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Exploring the Tradeoffs Local Governments Make in the Pursuit of Economic Growth and
Equity

Prepared for submission at *Urban Affairs Review*

07/16/2019
Final Revision 5/23/2020

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Abstract

Economic development at the municipal level often necessitates that local governments make tradeoffs between firm- and locality-based strategies. In recent decades, economic development researchers have described these efforts over time as exhibiting certain patterns and metaphors: as a series of waves, as embodying a type of lock in effect, and as a policy layering process; however, the mechanisms behind these patterns remain unclear. This article draws upon 30 years of economic development policy decision-making across the United States to understand what leads local governments to prioritize growth- or equity-oriented policies. We find that equity-enhancing economic development policies are more likely when local governments face less competitive pressure, have greater resource capacities, and experience greater inter-governmental involvement in the economic development planning process. Leveraging these factors can aid governments as they struggle to navigate a more sustainable path toward growth and equity.

Introduction

The history of most any city is a story of urban (re)development and (re)invention (Bodini et al. 2012; Cohen 2019). Scholars tend to tell these stories using metaphors derived from nature, economic development efforts encapsulated in “waves” which crash and recede, or build upon themselves in layers like the sediment of a great formation (Lowe and Feldman 2018). While these comparisons may convey the gist of empirical patterns of development over time, they also mask the policy intent and conflict rippling beneath the waves, encrusted in the firmament. Cities have experienced evolving rationales for the appropriate targets of policy action -- firms or the broader community -- which are embedded in their policy choices. As a result, local municipalities have made decisions to use differing economic development tools with often complex and competing political (Jensen and Malesky 2018), job creation (Bowman 1988; Wolman and Spitzley 1996), and revenue-generation justifications (Bowman and Pagano 1992; Peterson 1981; Swanstrom 1982).

This article aims to provide a stronger theoretical understanding of and empirical evidence for what has driven changes in these local government policy choices. From one enduring perspective in urban research, it is desirable for local governments to engage in firm-based business attraction and locality-based infrastructure development while leaving the federal government to engage in redistributive community-based policies (Peterson 1995). Implicit in this though is a local preference for economic growth. Kantor (2016) argued that development at the local level necessitates competitive pressures that can generate disinvestment in already low-performing communities. This competition for growth exacerbates economic inequality (Wang, Ellis, and Rogers 2018) while at the same time federal retrenchment in redistributive policies has left many local governments responsible for ensuring equity while pursuing growth (Cohen 2019).

Today, as a result of government competition for mobile capital, firms, and citizens, negative redistributive consequences seem commonplace across metropolitan regions. How do cities choose between the economic development strategies and tools they use? Competition for Amazon HQ2.0 recently highlighted the idea that governments still compete by offering selective incentives to large firms; however, offering the largest tax benefits would mean that New Jersey would have beat New York and Maryland would have beat Virginia- both cases where proximally they were close but in pure incentive terms those offering the best set of financial incentives did not “win.” Cities need to attract development in more well-rounded, sustainable, and equitable ways.

In this article, we apply resource dependence theory to understand why local governments have made greater equity-based economic development commitments over time. We ask two related questions. First, how have local governments’ commitment to equity-based

economic development policy tools changed over time? Extant economic development literature is descriptively rich, but does not adequately address *why* policy change has occurred in waves or by layering newer policy tools on top of older ones over time. We posit that a widely acknowledged but under-examined part of this answer lies in the resource environment of the organization. To address the topic from a resource-dependence approach, we ask: how have local governments' organizational environments shaped these patterns over time?

Using the International City/County Management Association (ICMA) economic development surveys spanning 30 years, our analysis finds evidence that local governments do not adopt new policies in a haphazard fashion. Rather, they are driven by external competition, governmental actors, and revenue availability to adapt specific strategies. Thus, local government commitments toward equity-enhancing economic and community development policies are strategic adjustments to their resource environments.

Factors Driving Differential Economic Development Strategies

A steadily growing body of evidence indicates many larger local governments have entered an era of sustainable development (Fiorino 2018; Hammer and Pivo 2017; Krause 2011; Portney 2013; Yi, Krause, and Feiock 2017). Research focused on understanding the shifts in economic development policy tool usage remains a somewhat contested space. Some local government scholars argue city officials gradually adopted more of an interest in sustainability, in terms of balancing economic development motives with environmental and social equity concerns, due to federal inaction on issues such as climate change, the growing salience of problems, as well as the potential for reputational gains, or better “branding” for their communities (Fiorino 2018; Hughes 2019; Portney 2013). This awakening has coincided with

greater public awareness and concern with social equity and environmental sustainability, as well as recognition that sustainability presents the potential for substantial, internalizable co-benefits within communities (Krause 2011; Swann and Deslatte 2019; Wang et al. 2012). For example, investments in activities with positive community spillovers, such as job training, small-business loans or grants, community development programs, energy audits, or other environmental sustainability initiatives, have become more desirable in recent years (Berry and Portney 2013; Opp and Saunders 2013; Yi, Krause, and Feiock 2017). Other authors caution that the motivations of city officials stem more from perceptions of competition or credit-claiming than legitimate efforts to make economic gains or quality of life improvements (Jensen and Malesky 2018; Steinacker 2002). These urban scholars have long considered economic development policies a product of the privileged decision-making position of insular or land-based interest groups (Logan and Molotch 2007), or governing coalitions of corporate and public officials (Sanders and Stone 1987). Given the unresolved nature of this debate, we first provide an overview of the descriptive patterns of change in cities' development tool utilization over time. Then, we test two hypotheses derived from resource dependence theory (RDT) that seek to provide a richer understanding of what drives local governments toward equity-oriented policies (Malatesta and Smith 2014; Pfeffer and Salancik 2003).

Economic Development Patterns of Change

The local economic development literature offers several metaphors for how policies change over time, such as waves, layers, or lock in. Despite this, some question the value of such metaphors in the actual practice of economic development (Lowe and Feldman 2018). Part of the reason for this skepticism is that these ideas are largely post-hoc and descriptive of how change

occurred over time without focusing on the mechanisms bringing about such change.

Additionally, structuring these metaphors as testable and falsifiable propositions that are also mutually exclusive of one another is difficult, at best. Nonetheless, we describe each here and posit that resource-based theories of organizations can provide greater explanatory power for patterns of economic development policy change over time.

The first metaphor is the idea of *economic development waves* (Bradshaw and Blakely 1999; Clarke and Gaile 1992; Leigh and Blakely 2016; Olberding 2002). The first wave of economic development activity focused on industrial business attraction with a reliance on traditional financial tax incentives such as tax abatements, tax credits, and tax-increment financing (TIFs). Given a growing concern for business retention and expansion as opposed to a sole focus on new business attraction, a second wave of policies focused on retaining and expanding existing business (Clarke and Gaile 1992). The second wave is thought to have been somewhat displaced by endogenous growth theories, building on the work of Romer (1994) who found that increasing returns to scale were evinced by the technological-augmentation of labor as a better mechanism to explain total factor productivity or disconnection between levels of capital and labor on growth. Local governments pursued this form of development through the prioritization of entrepreneurship policies, business incubators, and other policies oriented toward growing new firms from within the community rather than attracting or expanding existing firms (wave 3). Finally, the most recent wave led local governments to focus on using policies oriented toward community development, equity, and sustainability. Other than a shift in priorities, researchers have not suggested how -- or even if -- each wave replaces the previous one. In fact, some argue that there has been a general convergence around community economic development (Stokan and Raleigh 2018). Thus, economic development waves are not entirely

distinct from either of the other two ways economic development policy change has occurred: *policy layering* and *policy lock in*. We recognize it as a metaphor reigning large in this literature, but acknowledge its limited utility and conceptual clarity relative to other policy processes (Weible and Sabatier 2018). We argue a more apt metaphor would be a *policy transition* (e.g. shifting from growth to equity-oriented policies). Transitions represent fundamental shifts from one policy direction to another, while acknowledging the diverse actors, conflicts and institutional arrangements which steer any policy process (Garcia et al. 2019).

The second metaphor explaining economic development policy change suggests governments *layer* new policies atop old ones as policy demanders emerge across the local government landscape (Isserman 1993; Lowe and Feldman 2018). As these new actors and policy exchange dynamics materialize, older policy arrangements may become less attractive but remain in existence nonetheless. Additional policy demanders yield an increase in the number of economic development policies employed by local governments (Fleischmann, Green, and Kwong 1992; Rubin and Rubin 1987; Zheng and Warner 2010), even if the impacts differ across types of economic development policies (Stokan 2013) or by policy demander type (Deslatte and Stokan 2019). This general tendency does not reflect successive economic development waves where one policy or priority simply replaces the next. Instead, old policies or priorities (growth-oriented policies) are layered over with new policies (equity-oriented policies). Disentangling economic development waves and policy layering conceptually such that they are mutually exclusive requires assuming each new economic development wave entirely replaces the prior wave. Of course, this does not comport with what local governments do to bolster their economies. Thus, it is impossible to completely distinguish these two approaches.

A final way the literature explains economic development policy change over time is through its stability. Rather than deviating course, local governments may experience economic development policy *lock in* resulting from path dependency. From this perspective, past experience or familiarity with a policy -- along with agency capture or clientele's expectations it will be maintained -- calcifies the expansion of policy efforts over time. Reese, Blackmon Larnell, and Sands (2009) find Michigan municipalities which offered industrial property tax abatements as a mechanism to attract firms continued to do so into the future and were very hesitant to change their approach. In fact, the only time local governments failed to continue offering these incentives was when firms stopped requesting the abatements. This lends credence to the idea that once a municipality utilizes an economic development incentive they will continue to do so irrespective of other factors. Part of the reason for this might be that policy termination and reversals are quite rare. Dur (2001) theorized that political costs always outweigh the political benefit of reversing course on policy issues, at least at the state level. Other research finds that there are empirical justifications for local governments reversing, terminating, or abandoning their existing policies, but the incidence of this is quite rare (Ragusa 2010; Volden 2016; Yi, Krause, and Feiock 2017).

While the three metaphors of waves, layering, and lock in provide a description of economic development policy change or stability over time, they do little to provide a mechanism whereby a city may lock in, replace old with new policies, or layer policies onto one another. For this reason, we offer a resource-dependence approach as a basis for better understanding economic development policy change.

Resource Dependence and Economic Development Decision-Making

Originating from organizational studies explaining firm strategies, resource dependence theory (RDT) focuses on the need for external resources as a driver of organizational behavior (Casciaro and Piskorski 2005; Hillman, Withers, and Collins 2009; Pfeffer and Salancik 2003). Like firms, public service organizations exist in an environment where they compete for resources, and their authority to pursue policy objectives is inversely related to their dependence on this resource environment (Lu 2016; Malatesta and Smith 2014). Local governments depend upon the external environment for materials, capital, and labor, and the availability of these resources may influence the provision of certain services to the community (Hawkins 2011). The strategies local governments pursue -- and by extension, the policy tools to effectuate them -- largely hinge on whether officials are seeking to distribute benefits to firms directly in the hope that jobs and growth will follow, or to direct resources more broadly to the community. Some evidence suggests that municipalities facing greater constraints and competition for jobs and growth adopt strategies focused on firm-based recruitment. These cities focused on firm-based strategies are, in turn, less likely to make a broader commitment to intergenerational economic, social, and environmental sustainability (Deslatte and Stokan 2019). From this perspective, the relative scarcity of material and fiscal resources plays a sizeable role in determining economic development policy strategies.

Applied to public organizations, RDT rests on three core explanatory concepts: resource munificence, competition, and organizational interconnectedness. *Munificence* is the relative abundance of resources within and outside the municipality that enables it to engage in broader levels of sustainable development activities (Deslatte and Stokan 2019). These resources can be land, dedicated revenues for economic development, a skilled workforce, or the regulatory environment. Governments with high resource munificence can afford to be more selective about

the types of firms or projects they incentivize and the timing of when benefits would be realized. Prior evidence suggests local governments that fail to meet their basic, more immediate economic needs for jobs and tax revenues will lack the resources to engage in broader, community-based development commitments (Deslatte and Stokan 2019). Governments with low resource munificence will focus on firm attraction and be more likely to utilize traditional development incentives like tax abatements, tax increment financing, enterprise zones, and special assessment districts.

Competition refers to the degree of authority diffused across an organizational environment. In the U.S. local government context, political and fiscal authority is highly fragmented between many general- and single-purpose local governments in metropolitan regions. For instance, the Chicago Metropolitan Statistical Area (MSA) is comprised of nearly 300 municipal governments, the Pittsburgh MSA has more than 250, and the St. Louis MSA has more than 120 (Hendrick and Shi 2014). Such levels of governmental fragmentation are thought to increase competition between local governments for mobile firms and residents (Deslatte 2016; Deslatte and Feiock 2019). Competition has been long considered one of the most important predictors of economic development decision-making (Fleischmann, Green, and Kwong 1992; Overton 2016; Rubin and Rubin 1987; Stokan 2018; Wolman and Spitzley 1996). Local governments operate at an information disadvantage compared to mobile firms in highly fragmented regions because governments are public entities and firms can play cities off each other to drive up the value of incentive packages. Thus, governments operate in problematic environments in which the level of competition may be unclear and information is asymmetric (Feiock and Clingermayer 1992; Overton 2016). Both perceived competition as measured in the ICMA economic development survey instruments and more concrete measures of competitive

environments through horizontal and bordered fragmentation are positively associated with each other and with economic development policy utilization (Stokan and Deslatte 2020).

The third concept, *organizational interconnectedness*, refers to the ties between actors which may serve to help mitigate or manage their dependencies. In the RDT literature, forming alliances is thought to be one way private or nonprofit organizations share resources in order to accomplish similar objectives (Hillman, Withers, and Collins 2009; Malatesta and Smith 2014; Pfeffer and Salancik 2003). In the public sector, these linkages can take the form of collaboration between different governments at multiple levels to share information and coordinate economic development strategies. Regional economic development organizations are one way governments may pool their capacities and avoid “go it alone” zero-sum development strategies. Interconnectedness can also include clientele groups such as business associations, neighborhood, or environmental groups. When decision-making processes for economic development policy are controlled by corporate interests, for instance, the economic development strategies which emerge tend to favor those clientele groups (Deslatte, Schatteman, and Stokan 2019). The strength of these networks increases usage of economic development offerings (Morgan, Hoyman, and McCall 2019). When these competing clientele groups lobby for different policies, governments may struggle to balance their policy priorities among diverse community stakeholders (Clingermayer and Feiock 1990). These government suppliers also face moral hazards when they substitute their own preferences for political or career advancement (Deslatte, Tavares, and Feiock 2018; Lubell, Feiock, and de la Cruz 2009). Thus, both institutional arrangements and the relative strength and organization of policy demanders play an important role in influencing economic development strategies.

The three dimensions of RDT -- resource munificence, competition, and organizational interconnectedness -- help to explain tradeoffs between equity- and growth-oriented policies among local governments. They have not, however, been applied empirically to strictly focus on the historical determinants of contemporaneous policy use. In other words, these theoretical explanations have been under-leveraged to account for the policy transitions or stasis we observe in historical patterns. We offer two hypotheses that explicitly test whether changes in these resource dependencies over time explains movement toward equity-oriented policies and the ability to overcome policy lock in effects:

Diminished RD and Equity Hypothesis (H1): A municipality that decreases its resource dependencies over time will be more likely to utilize equity-oriented policies.

We argue that the current level of resource dependence helps to explain the decision to use equity- and growth-oriented policies. However, it is also plausible that those municipalities that have diminished their external resource dependencies are able to overcome the effects of policy lock in. This is because the existing policies are entrenched as a result of past resource dependencies, as municipalities overcome these they will be able to chart a new path. Given the first hypothesis, we theorize that governments will overcome lock in effects as their resource dependencies diminish. In general, these will lead many more toward equity-oriented policies.

Diminished RD and Lock In Hypothesis (H2): A municipality that decreases its resource dependencies over time will overcome policy lock in.

Data

The data used for this study come from ICMA economic development surveys administered every five years (from 1984 to 2014) and completed by individuals principally

responsible for economic development in cities and counties. We exclude counties in our analysis. This follows tradition in municipal economic development scholarship, but we recognize that the results generalize only to municipal governments. The survey instrument has changed over time, yet several core elements remain consistent. All surveys ask respondents about economic development policy usage, barriers to development, participants in the economic development planning process, sources of economic development funding, perceptions of economic development competition, and government structure. In the most recent version, ICMA has started to ask about economic development policy intensity; however, those measures were not available in past iterations of this survey. Our analyses of these data rely on changes across all units over time, and on a subset of units that responded in both 1994 and 2014. The ICMA survey response rate varies across years, but most years report a response rate of roughly 20 to 25%. A large number of recent studies (Blackmond Larnell 2018; Gonzalez-Gorman, Kwon, Bak, and Park 2018; Homsy and Warner 2015; Osgood, Opp, and Demasters 2016; Zheng and Warner 2017) use this survey instrument as it is the only national survey of economic development incentive usage at the local level extending back to the 1980s. Despite that, it is known that larger governments, those with council-manager form of government, and those in the West are more likely to respond. In our subsample of repeated responses, we see a similar level of bias.

We supplement these data with information from the United States Census Bureau. First, we use demographic and industry data from the 1990 Decennial Census and the 2014 American Community Survey. In addition, we collect local finance data from the local finance division of the US Census Bureau for the years 1992 and 2012. Finally, we create fragmentation measures using the count of general purpose and special purpose governments from the Government's

Division of the U.S. Census Bureau for the years 1992 and 2012. Table 1 provides descriptive statistics.

[Table 1 about here]

Methodology

We perform two sets of analyses to answer our research questions regarding patterns of and reasons for equity- and growth-oriented policy decisions being made over time. The first analysis focuses broadly on economic development strategy changes across time without seeking to explain why the changes occurred. Our second set of analyses rely on a subsample of local governments responding to the ICMA survey in 1994 and 2014. These analyses make possible estimates of local government's commitments and priorities toward equity- and growth-oriented economic development policy efforts and patterns of policy change at the unit-level.

Descriptive Analysis: Aggregate Trends

Our first analysis examines economic development policy decisions over time. It utilizes a pooled sample of data from all years irrespective of the number of times each local government responded to the ICMA survey. This analysis determines whether there is evidence of policy waves, layering, or lock in as general patterns across all governments at all time points.

The ICMA economic development survey asked governments since 1984 about their usage of tax abatements, tax increment financing, enterprise zones, free land, grants, and special assessment districts (SADs). These policy tools are generally not used to address inequities that might exist within communities, but rather are seen as mechanisms to attract firms to a location and foster economic growth. These six growth-based policies contrast with those that are oriented toward ensuring greater equity.

Stone (2002), in the book *Policy Paradox*, makes clear that an abstract concept like equity is difficult to operationalize. While there are many ways to conceive of equity in the context of economic development decisions, we distinguish equity-based economic development policies by their focus on directly impacting low-income populations and communities. A tax abatement may benefit low-income populations through reductions in business costs that can be used to offset the expense of labor, possibly including low-income labor, but the path is indirect and certainly not guaranteed. Job training assistance, however, directly benefits low-income individuals or those individuals without earned income. The provision of public goods to address equity concerns may also be focused directly at the community and neighborhood levels. Local governments may address inequities through community development (CD) loans. Finally, community development corporations are nonprofit organizations that seek to revitalize communities, particularly around affordable housing, education, job training and through other social programs. The ICMA survey asked local government representatives about their usage of these policies beginning in 1994. Usage of each type of policy was measured on a scale from one to four, where one reflects no usage and two to four reflect low, moderate, and high usage of these policies.

In this model, we created average usage measures for each of the six growth-based incentives and three equity-based incentives for each survey from 1984 to 2014. By comparing these averages, we can observe evidence of policy waves, layering, or lock in.

Panel Analysis: Explaining Growth- and Equity-Based Economic Development Commitments (1994 and 2014)

We model how resource dependencies -- measured as munificence, competition, and organizational interconnectedness -- influence the observed economic policy patterns. We adopt measures for the pillars of resource dependence following the work of Deslatte and Stokan (2019). In doing so, we test our Diminished RD and Equity (H1) and Diminished RD and Lock In (H2) hypotheses through the lens of RDT.

We estimate *resource munificence* as a series of factors pertaining to the financial dependencies of the municipality. Included in this dimension of RDT is per capita own source revenue, one of the strongest indicators of a government's financial capacities. We also add per capita intergovernmental revenue as this signals outside money a municipality may be dependent upon. Finally, we include time to work which serves as a proxy for whether the area itself adequately supplies jobs within its boundaries. Of course it could be that density leads to longer travel times; however, we control for population density.

When resource munificence is coupled with higher levels of *competition concentration*, local governments will be driven to traditional financial incentives to bolster economic growth. Estimating competition traditionally relied on perceptual measures of competition on behalf of the individual principally responsible for economic development policy within the city (Fleischmann, Green, and Kwong 1992; Rubin and Rubin 1987; Stokan 2013; Zheng and Warner 2010). However, Stokan and Deslatte (2020) find that real competition, proxied by horizontal fragmentation or a count of the number of general-purpose governments within a metropolitan area and standardized by population size, is associated with competitive pressures and impacts economic development policy usage. We include horizontal and vertical fragmentation, as well as the percentage of revenue coming from sales tax. The latter measure leads to greater competition among local governments over business (Overton 2017).

Another dimension of RDT is *organizational interconnectedness*. We operationalize this concept by utilizing an Item Response Theory (IRT) measure to capture participants involved in the economic development decision-making process. An IRT model weights individual survey items differently based on their difficulty and ability to distinguish between two cities with similar policy portfolios (DeMars 2010). Originating from studies of survey design in psychometrics, IRT models have become increasingly used in policy and political science literature to measure individual ideology (Caughey and Warshaw 2015; Treier and Jackman 2008) and organizational policy “ability” or commitment (Deslatte and Swann 2017; Zhu et al. 2015). Essentially, IRT approaches are advantageous when survey items might be dichotomous (or capture basically observed phenomenon) or when additive indices risk under- or over-weighting the importance of any individual governmental activity. Each item is assigned a weight, and then a predicted latent trait, or theta, is generated to measure the “ability” of the local government to engage in equity-based policies. Consistent with previous work, we separate governmental and business participants (Deslatte and Stokan 2019; Deslatte, Schatteman, and Stokan 2019). We believe this is particularly important in this case as these actors may seek different policy tools.

We have different dependent variables to test our two hypotheses. To test H1, we offer two sets of models. First, we have a series of dichotomous outcome measures focused on only using an equity-based policy (employment training), a growth-oriented policy (tax abatements), neither policy, or both policies. This construction provides a foundation for our change models. These policies are not exhaustive of growth- or equity- oriented economic development policies, but are typical cases that allow us to test relative commitments. However, we supplement these analyses with broader measures that tap into commitments to equity- and growth-oriented

policies. This construction uses IRT measures of equity-oriented and growth-oriented policy commitments. The equity-oriented IRT measure includes commitment to equity-oriented policies based on the usage of policies that include: CDCs, CD Loans, and employee training. The growth-oriented IRT measure includes commitments to growth through policies including tax abatements, tax increment financing, local enterprise zones, special assessment districts, free land, and grants.

A series of control variables in each of our models account for the political, socio-economic, and historical contexts that may alter the path by which governments elect to use different sets of policies. Despite there being some disagreement on whether this is an important predictor of economic development policy usage (Fleischmann, Green, and Kwong 1992; Kassekert and Feiock 2009; Reese, Blackmond Larnell, and Sands 2010), we include estimates for mayor-council and council-manager *form of governments* to account for the institutional structure that may impact the decision to use more growth-based or equity-based policies. Another aspect of the environment is whether the local government is urban, suburban, or rural, which impacts the number of policies being utilized as well as the type of policies (Baldassare 1986; Stanback and Noyelle 1984). We include two dummy variables for whether the government is the *central city* or *suburban*, with rural as the reference group. As noted, the amount of need a local government has may drive the decision to use certain types of economic development strategies. Clingermayer and Feiock (1990) suggest population size taps into the level of need within a community, but we utilize *population density* to better account for the spatial dimension and concentration of this need. Because population density does not reflect the characteristics of the underlying population, of which there may be greater or lesser need, we also account for per capita household *income*, the percentage of the population that is *not White*,

and the percentage with *less than a high school education*. In addition to this, we control for *industrial diversity* (as measured by a Hirschmann-Herfindahl index (HHI)) and *level of industrialization* (percentage of the population employed in manufacturing). Each model utilizes robust clustered standard errors at the state level (Colin Cameron and Miller 2014). In the models of policy changes over time, each of the aforementioned controls are also estimated as percentage change measures unless they do not vary (form of government, central city, etc.).

Our first inferential model explores the relationship between RDT and a local government's commitment to equity-only, growth-only, neither, or both policies using a multinomial logit model to account for each of the possible outcomes. Second, we estimate an OLS model explaining broader equity- and growth-oriented policy commitment with our IRT measures. In both cases we account for our theoretically driven measures of resource munificence, competition, and organizational interconnectedness as the key explanatory variables.

The second hypothesis requires a dependent variable that allows us to understand if governments made policy transitions, stayed locked in, terminated, or layered policies. Again, we use two policies that are most characteristic with growth-oriented strategies (tax abatements) and equity-oriented strategies (employment training) because the ICMA survey measures these going back to 1994. The DV was constructed in a way that accounted for whether the government stayed *locked in* with this policy (e.g. only used tax abatements [or employment training] in both 1994 and 2014), made a *policy transition* (e.g. only used tax abatements in 1994 and then only employment training in 2014), *terminated a policy* (e.g. only used tax abatements in 1994 [or employment training or both] and then neither policy [or one fewer] in 2014) or *layered* (e.g. only tax abatements [or employment training] in 1994 and then both tax abatements

and employment training in 2014). Again, we use a multinomial logit model to analyze these different paths. See Table 2 for all possible scenarios.

[Table 2 about here]

Results

Aggregate Trends

For each of the growth and equity-based policy tools, we constructed average usage and average change measures. The average of the six growth-based economic development tools indicated that roughly 25% of governments were using these types of tools between 1984 and 2004. Table 3 reports results. By 2009, growth-oriented policy usage increased to 33%, and to 45% by 2014. Several of the policies within this category doubled in utilization between 2009 and 2014 (special assessment districts, enterprise zones, and offering free land for development). Tax abatement usage had a steady increase in utilization rates until 2014 when there was a 12 percentage point decline in the usage of this incentive from 2009. It is worth noting that this corresponds with the Great Recession and a time when governments were necessarily cutting back.

[Table 3 about here]

Equity-based policy tools, on average, also saw a marked increase between 2009 and 2014 when average utilization of the three policies increased from 23% to 48%. However, the average equity policy tool utilization rate was more variable than growth-based policies: average usage was 44% in 1999, 35% in 2004, and 23% in 2009 before a precipitous increase to 48% in 2014. This pattern is consistent for relying on community development corporations and offering community development loans. Employee training programs, however, were more stable until

their offerings increased by 30 percentage points between 2009 and 2014 likely reflecting the need to retrain employees in the post-recession period.

In general, we are hesitant to say there is any clear discernable pattern given the fluctuations between decades; however, it seems to run counter to what we expect to see with policy lock in. It is, however, largely consistent with successive economic development waves and policy layering, but there is no way to disentangle the two patterns in this analysis.

Therefore, we examine the count of all of these policies that cities adopt. We find the number of both types of tools generally trend upwards over time. The number of equity-based tools used, on average, increases from 1.1 to 1.69 (53%) between 1999 and 2014 while the number of growth-based tools used increases from 1.61 to 2.72 (69%) over that same period. While usage of equity-based policies may have increased, they did not supplant growth-oriented policies. This may be suggestive of a policy layering effect over a successive waves pattern. Given that these are aggregated trends, and thus may reflect a change in the sampled municipalities rather than general trends over time within municipalities, the next set of analyses explore changes within individual governments over time to establish the mechanisms that may bring about such policy change.

Panel Analysis: Explaining Growth- and Equity-Based Economic Development Commitments (1994 and 2014)

To test Hypothesis 1 (Diminished RD and Equity Hypothesis) that a municipality which decreases its resource dependencies over time will be more likely to utilize equity-oriented policies, we estimate multinomial logit models of overall commitment to equity-oriented policies against efficiency-oriented policies, neither, or both. Our model accounts for 46% of the

variation in whether a local government uses growth-only, equity-only, both, or neither of these policy tools. Table 4 reports results. We find support for the influence of competition for the growth-only model and some support for resource munificence for the equity-only and both models. Thus, competition, as measured through horizontal and vertical fragmentation, increases the likelihood of taking a growth-only approach and simply using tax abatements. Competition further reduces the likelihood that both policies will be used, and it is not substantively related to the usage of equity-only policies (only the change in vertical fragmentation was statistically significant). This comports generally with the RDT framework and reflects what has been known about competition driving traditional financial incentive usage.

The influence of resource munificence is more mixed. Time to work is positively associated with equity-only policies, but we observe the opposite relationship with measures of change in time to work. As distance to work has increased it may reflect loss of employment opportunities and less capacity to address equity issues. Per capita changes in intergovernmental revenues are positively associated with choosing both policies. This suggests that when the government is deriving a larger share of revenues from other governments, they will be more likely to use those funds to offer more policies generally.

In aggregate, we therefore find mixed support for H1. As municipalities decrease their resource dependencies, we anticipated they would opt for equity-based policies; however, increasing own source revenue, decreasing competition, and increasing government v. private actors does not uniformly move governments toward more equity-oriented policies. We find that increasing intergovernmental revenue and reduced competition lead governments to be more likely to adopt both growth and equity-oriented policies. Thus, reducing some of these constraints means they will pursue both courses at an increasing rate. We also find that higher

levels of competition drive local governments toward growth-oriented policies and decrease their likelihood of using equity-oriented policies.

We observe that mayoral form of governments diminish the likelihood that equity-only and both policies will be used compared to neither policy. This suggests mayors may be reluctant to focus on equity-oriented policies, but this is not completely at the expense of adoption growth-oriented policies. Agglomeration also has a positive effect on the utilization of equity-oriented policies, which is likely the result of greater economies necessitating greater levels of need in areas of higher inequities. In essence, larger dense cities will often be more likely to have capacities to offer equity-oriented policies.

In each case, governments that only used growth policy tools in 1994 were more likely to only use growth tools in 2014 and those using only equity tools in 1994 were more likely to only use equity tools in 2014. We also find that those governments which are only using growth tools today were far less likely to only be using equity in 1994. However, the inverse is not true: those governments only using equity-oriented policy tools today were not significantly less likely to be using only growth-oriented tools in 1994. Governments using both policies today were slightly more likely to be using only-equity and only-growth tools in 1994 than using both policies then. This may provide some tentative support for lock in effects; however, we reserve judgment for the policy process change models that more formally test H2.

[Table 4 about here]

Again, we expand these analyses by using IRT measures of equity and growth to account for broader commitments to these strategies. Table 5 reports results.

First, we find that greater governmental connectedness increases the commitment to equity-based policies (See Figure 1). Having greater governmental actor involvement is associated with more

equity-based policy tool use. These factors are not associated with growth-oriented policies; however, having a larger own source revenue per capita does make it more likely to use growth-oriented policies.

[Figure 1 about here]

[Table 5 about here]

Second, as fragmentation, and thus competition, increases, there is a significantly reduced commitment to equity-based tools- though no corresponding commitment to growth-oriented policies. This suggests that competition is a strong force prohibiting the broader utilization of equity-oriented policies consistent with the theory of resource dependence. Resource munificence, however, does not appear to play a critical role in determining which local governments make greater commitments to equity-oriented nor growth-oriented policies. Only time to work is significantly, and negatively related to an equity commitment. Thus, if it is harder to find work in one's city it may have less capacity to offer these policies. As per capita income increases in the community, there was a reduced propensity to offer growth-oriented policies. This is likely the result of less need to offer such generous policies when citizens likely have stable, relatively well-paying jobs.

Demographic and industry factors play a minor role in policy tool choice. As population density increases, controlling for all other factors, there is an associated increase in commitment to equity policies. Again, larger more dense cities often have individuals with greater need- but the city often has more capacity to address those needs. In contrast, suburbs are less likely to adopt equity policies. These findings lend some support to a resource dependence explanation,

next we test whether diminished levels of resource dependence enable governments to overcome policy lock-in effects as expected in H2.

Explaining Change in Policy Commitments

Our final model analyzes the determinants of overcoming policy lock in effects. Each factor is expressed as a change variable from 1994 to 2014 and conceptualized as being evidence of: policy lock in, policy transition, policy termination, or policy layering. There are too few cases of policy transition for the model to derive reasonable standard errors. Policy lock in is the base category, setting up directly the test of factors associated with overcoming lock in effects. We find mixed support for our expectation. Table 6 reports results.

[Table 6 about here]

We find, consistent with RDT, that an increase in governmental and private actor participation in economic development efforts in the city is associated with policy layering and a decrease in policy termination respectively. Thus, participation on behalf of these actors tends to lead cities to offer more policies and restrains them from terminating existing policy tools. However, we do not find support that resource munificence or competition change whether the government layers or terminates policies. Thus, lock in effects seem to be strong enough that only considerable investment by participants will lead to policy change. We find support for H2, the Diminished RD and Lock In Hypothesis, but only insofar as decreases in organization interconnectedness, not resource munificence or competition, allow municipalities to overcome policy lock in. In other words, they are more likely to drop certain policy tools when they don't have as many connections.

Conclusion

When Amazon recently received bids from more than 235 local governments, including several multi-billion dollar offers, it made clear that growth-oriented policies remain a prominent tool in cities' economic development arsenal. With the failure of the federal government to maintain its level of spending on redistributive policies, local governments have had to address inequities within their own communities. This is consistent with our finding that equity-oriented policies have increased over time, suggesting the metaphor of policy layering has a place in describing growth development policies. Yet, this begs the question: how are governments able to address these concerns? Our analyses suggest governments which are more engaged in equity-based economic development tend to be less beholden on their external environments -- and less fixed on basic needs such as jobs and financial resources. The utility of a resource-based theory of economic development is that it also emphasizes factors beyond financial resource capacities. We find some support for our Diminished RD and Equity Hypothesis (H1): while resource munificence is an important determinant of equity policies, governments feeling greater competitive pressures are more likely to use growth-based policies like tax abatements and less likely to commit to equity-based policies. Determining ways to mitigate these pressures, either through inter-local collaboration, formation of additional special districts to address economic development goals, or state-level actions, may be mechanisms to lead governments to increasingly move toward equity-based goals.

Metaphors can be a useful heuristic for policy learning and change. To the list of economic development policy lock-in (no change), policy layering (adding new policies to old), and policy termination, our analysis adds a new metaphor: policy transition. In the socio-environmental literature, transitions reflect fundamental policy and management shifts to

maintain or enhance system performance (Garcia et al. 2019). We argue such transitions will become increasingly important -- and common -- across the urban economic development landscape as resiliency, sustainable development, and adaptations to climate change accelerate in the coming years.

This analysis suggests overcoming policy lock-in is a possibility and occurs when governments transition by fundamentally shifting from growth to equity-based policies or vice versa. Given that there were only three instances of policy transition, we were unable to model the drivers of this phenomenon; instead, qualitative examination of such cases is warranted. In the case of policy layering, we observe there is an increased likelihood of this when there are greater commitments on behalf of governmental actors in the economic development planning. This is consistent with a great deal of literature showing more government involvement leads to a greater policy tool usage (Rubin and Rubin 1987; Fleischmann, Green, and Kwong 1992; Stokan 2013; Zheng and Warner 2010). Policy termination remains quite rare, however, there are several characteristics that make it much less likely. For one, as additional private-sector actors become more involved in local government's economic development planning, we observe termination of any policies are significantly less likely. Furthermore, areas that have experienced population density growth are less likely to abandon their policies. In this, we find some support for our Diminished RD and Lock In Hypothesis (H2).

We believe these findings are important for regions that seek to grow economically, but also sustainably. While regionalists have long called for improved collaborative relationships between local governments, the timing is ever more important as local units increasingly face uncertain budgets and heightened levels of perceived competition as evidenced by competition

for Amazon HQ2.0. To the extent that mechanisms are found to reduce this competition and create greater regional collaboration, equity-enhancing policies may abound.

With recent calls to increase transparency in economic development policy (Brockmyer et al. 2012; Jensen and Thrall 2019.; LeRoy 2013), our hope is that refined measures of the intensity and value of economic development usage will be available in the short run. The ICMA survey made an empirical advancement in 2014 by asking about the intensity of each of these policies; however, we recognize governments may disagree over what intense policy usage looks like. Having dollar associated with these policies would allow for richer analyses. We believe drawing on interdisciplinary approaches such as resource dependence theory provides a foundation for understanding why governments engage in development practices and why they change course. Determining ways local governments can simultaneously bolster economic growth while addressing inequities is an important way forward for useful economic development research.

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Table 1: Descriptive Statistics

| Variable | N | Mean | Std. Dev. | Min | Max |
|----------------------------------------|----------|-------------|------------------|------------|------------|
| Equity Only (DV) | 262 | 0.23 | 0.42 | 0 | 1 |
| Growth Only (DV) | 262 | 0.14 | 0.34 | 0 | 1 |
| Type Of Shift (DV) | 245 | a | a | 1 | 4 |
| Mayor | 526 | 0.19 | 0.39 | 0 | 1 |
| Manager | 526 | 0.78 | 0.42 | 0 | 1 |
| Horizontal Fragmentation (hfrag) | 520 | 0.69 | 0.38 | -2.25 | 1.00 |
| Vertical Fragmentation (vfrag) | 520 | 0.61 | 0.18 | 0.14 | 0.94 |
| Governmental Actors Interconnectedness | 526 | 0.39 | 0.21 | 0.15 | 0.94 |
| Private Actors Interconnectedness | 526 | 0.26 | 0.31 | 0.01 | 0.98 |
| Suburban Environment | 526 | 0.61 | 0.49 | 0 | 1 |
| Central City Environment | 526 | 0.20 | 0.40 | 0 | 1 |
| Revenue Sources | 526 | 0.85 | 0.05 | 0.74 | 0.96 |
| Cost Barriers | 526 | 0.19 | 0.12 | 0.03 | 0.52 |
| Tax Barriers | 526 | 0.08 | 0.04 | 0.02 | 0.20 |
| Available Land Barriers | 510 | a | a | 1 | 4 |
| Change in Population (1994-2014) | 526 | 0.50 | 1.00 | -0.17 | 9.10 |

| | | | | | |
|--------------------------------------|-----|-------|-------|------|-------|
| Population (Logged) | 526 | 10.55 | 0.93 | 9.20 | 14.08 |
| Agriculture Main Industry (1994) | 526 | 0.04 | 0.20 | 0 | 1 |
| Manufacturing Main Industry (1994) | 526 | 0.19 | 0.40 | 0 | 1 |
| Competition (1994) | 526 | 0.77 | 0.42 | 0 | 1 |
| Government Participation (1994) | 526 | 0.90 | 0.29 | 0 | 1 |
| Private Actor Participation (1994) | 526 | 0.55 | 0.50 | 0 | 1 |
| Available Land Barriers (1994) | 526 | 0.52 | 0.50 | 0 | 1 |
| Capital Barriers (1994) | 526 | 0.46 | 0.50 | 0 | 1 |
| Market Barriers (1994) | 526 | 0.07 | 0.25 | 0 | 1 |
| Tax Abatement Usage (1994) | 526 | 0.40 | 0.49 | 0 | 1 |
| Tax Increment Financing Usage (1994) | 526 | 0.41 | 0.49 | 0 | 1 |
| Employee Training Usage (1994) | 526 | 0.24 | 0.43 | 0 | 1 |
| Year | 526 | 2004 | 10.01 | 1994 | 2014 |

Note: "a" represents that these are categorical variables and thus the mean and standard deviation are meaningless.

Table 2: Economic Development Scenarios

| 1994 | 2014 | Type of shift |
|-------------|-------------|----------------------|
| Only growth | Only equity | Policy Transition |
| Only growth | Only growth | Policy Lock In |
| Only growth | Both | Policy Layering |
| Only growth | Neither | Policy Termination |
| Only equity | Only equity | Policy Lock In |
| Only equity | Only growth | Policy Transition |
| Only equity | Both | Policy Layering |
| Only equity | Neither | Policy Termination |
| Both | Only equity | Policy Termination |
| Both | Only growth | Policy Termination |
| Both | Both | Policy Lock In |
| Both | Neither | Policy Termination |
| Neither | Only equity | Policy Layering |
| Neither | Only growth | Policy Layering |
| Neither | Both | Policy Layering |
| Neither | Neither | Policy Lock In |

Table 3: Aggregate Trends in Economic Development Policy Usage

| | | 1984 | 1989 | 1994 | 1999 | 2004 | 2009 | 2014 |
|----------------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Growth-Based Incentives | Tax Abatements | 0.21 | 0.35 | 0.35 | 0.37 | 0.40 | 0.44 | 0.38 |
| | TIFs | 0.25 | 0.29 | 0.33 | 0.36 | 0.43 | 0.52 | 0.38 |
| | SAD | 0.26 | 0.19 | 0.13 | 0.13 | 0.18 | 0.24 | 0.54 |
| | Local Enterprise Zones | - | - | 0.18 | 0.19 | 0.17 | 0.23 | 0.59 |
| | Free Land | - | - | 0.23 | 0.27 | 0.22 | 0.26 | 0.55 |
| | Grants | - | - | 0.25 | 0.30 | 0.26 | 0.31 | 0.29 |
| | AVERAGE | 0.24 | 0.27 | 0.24 | 0.27 | 0.27 | 0.33 | 0.45 |
| | | 1984 | 1989 | 1994 | 1999 | 2004 | 2009 | 2014 |
| Equity-Based Incentives | Employee Training | - | 0.25 | 0.20 | 0.20 | 0.18 | 0.19 | 0.49 |
| | Community Development Corps | - | - | - | 0.54 | 0.41 | 0.23 | 0.63 |
| | Community Development Loans | - | - | - | 0.58 | 0.46 | 0.28 | 0.33 |
| | AVERAGE | | 0.25 | 0.20 | 0.44 | 0.35 | 0.23 | 0.48 |

Note: Cells with a dash (-) indicate the survey did not ask about that type of policy in that year.

Table 4: Policy Selection Models

| | Only growth | Only Equity | Both |
|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| Resource Dependence Theory | | | |
| Resource Munificence | | | |
| Per Cap Own Source | 0.87 (0.77) | -0.25 (0.35) | 0.22 (0.49) |
| Per Cap Own Source Change | -0.12 (0.30) | 0.07 (0.26) | -0.09 (0.38) |
| Per Cap IGR | -1.45 (1.41) | 0.88 (0.59) | -0.30 (1.10) |
| Per Cap IGR Change | 1.44 (1.04) | 0.50 (0.50) | 2.03** (0.99) |
| Time to Work | 0.03 (0.27) | 0.34* (0.30) | -0.18 (0.20) |
| Time to Work- Change | -6.36 (3.93) | -4.52* (0.18) | -2.80* (2.62) |
| Competition | | | |
| Hfrag | 13.98* (7.45) | -0.94 (3.32) | -2.53* (1.41) |
| hfrag Change | -2.28 (2.28) | -0.60 (1.40) | 0.87 (0.63) |
| Vfrag | 6.27** (3.08) | 1.02 (3.08) | -3.34* (1.99) |
| vfrag Change | 2.01* (1.11) | 2.42* (1.23) | 0.85 (1.18) |

| | | | |
|----------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Percent of Rev from Sales | -0.53 (2.51) | -0.61 (1.96) | -1.58 (2.53) |
| Percent of Rev from Sales Change | -0.01 (0.002) | 0.01 (0.00) | -0.19** (0.07) |
| Organization Interconnectedness | | | |
| Govt Actors | 5.29 (7.23) | 17.92 (10.15) | 10.01 (7.31) |
| Govt Actors Change | -1.38 (2.19) | -6.35** (2.41) | -1.81 (2.22) |
| Private Actors | 0.37 (5.85) | 2.56 (2.07) | 6.15 (4.63) |
| Private Actors Change | 1.42 (3.82) | 2.56 (2.07) | -3.01 (2.42) |
| Controls | | | |
| Structural | | | |
| Mayor | -1.60 (1.10) | -2.77* (1.14) | -2.37** (0.89) |
| Central City | 1.85** (0.83) | 0.89 (1.50) | 0.75 (0.82) |
| Suburb | 4.25** (1.73) | 0.23 (1.28) | 2.00 (1.49) |
| Demographic/Economic | | | |
| Pct Non-White | 4.17 (2.99) | 3.99** (1.88) | 1.81 (1.92) |

| | | | |
|----------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Pct Non-White Change | 0.02 (0.18) | 0.38*** (0.14) | 0.14 (0.15) |
| Pct Educ Less than High School | 26.65* (15.45) | 45.84** (15.74) | 16.24 (16.35) |
| Pct Educ Less than High School Change | -7.94*** (1.86) | -5.53** (1.91) | -6.32** (2.28) |
| Per Capita HH Median Income | -0.00 (0.00) | 0.00 (0.00) | -0.00** (0.00) |
| Per Capita HH Median Income Change | 0.09 (0.13) | 0.06 (0.14) | -0.07 (0.13) |
| Agglomeration (Pop Density) | 0.33 (1.04) | -1.06 (0.81) | 0.11 (0.52) |
| Agglomeration (Pop Density) Ch | -0.11 (0.50) | 0.51* (0.27) | 0.14 (0.40) |
| Industry | | | |
| Industrial Concentration (HHI) | 18.71 (26.71) | 19.22 (23.34) | 49.35** (19.39) |
| Industrial Concentration (HHI) Change | -5.22 (3.56) | -8.28** (2.85) | -3.57 (2.64) |
| Industrialization (Manufacturing Pct) | -6.51 (11.63) | -19.82* (10.36) | -1.62 (10.23) |
| Industrialization (Manufacturing Pct) Change | 1.47 (2.27) | 7.61** (2.57) | 0.99 (1.80) |

Prior Policy Usage (1994)- Base Category is Neither Policy

| | | | |
|-------------|-----------------------------------|-------------------------------|--------------------------------|
| Only Growth | 2.25* (1.24) | -0.15 (1.12) | 3.36** (1.21) |
| Only Equity | -12.48*** (2.82) | 1.34* (0.73) | 3.75** (1.37) |
| Both | 1.94* (1.14) | 0.41 (0.87) | 2.28* (1.18) |
| N | | 177 | |
| Pseudo R2 | | 0.46 | |

Robust clustered standard errors at state-level. Base Category for model is neither.
Significance tests are two sided: $P < .10 = *$, $P < .05 = **$, $P < .001 = ***$

Table 5: Equity and Efficiency-Based IRT Models

| Resource Dependence Theory | Equity Commitment | Efficiency Commitment |
|----------------------------------------|---------------------------------|----------------------------------|
| Resource Munificence | | |
| Per Cap Own Source | 0.02 (0.02) | 0.07** (.03) |
| Per Cap IGR | 0.01 (0.06) | 0.09 (0.09) |
| Time to Work | -0.02** (0.01) | -0.02 (0.01) |
| Competition | | |
| Hfrag | -0.14** (0.06) | 0.07 (0.10) |
| Vfrag | -0.32** (0.14) | -0.11 (0.26) |
| Percent of Rev from Sales | 0.02 (0.14) | 0.07 (0.03) |
| Organization Interconnectedness | | |
| Govt Actors | 0.87*** (0.13) | 0.25 (.16) |
| Private Actors | -0.18 (0.09) | 0.00 (0.12) |
| Controls | | |
| Structural | | |

| | | |
|--------------|---------------------------------|--------------------------------|
| Mayor | 0.06 (0.06) | 0.08 (0.06) |
| Central City | -0.04 (0.07) | 0.17** (0.06) |
| Suburb | -0.15** (0.08) | 0.14* (0.08) |

Demographic/Economic

| | | |
|--------------------------------|--------------------------------|--------------------------------|
| Pct Non-White | -0.08 (0.11) | -0.03 (0.20) |
| Pct Educ Less than High School | 0.60 (0.54) | -0.84 (0.74) |
| Per Capita HH Median Income | 0.00 (0.00) | -0.00* (0.00) |
| Agglomeration (Pop Density) | 0.08** (0.03) | 0.03 (0.04) |

Industry

| | | |
|---------------------------------------|----------------|--------------------------------|
| Industrial Concentration (HHI) | 0.20 (0.69) | -0.12 (1.06) |
| Industrialization (Manufacturing Pct) | 0.20 (0.37) | 0.72** (0.33) |
| N | 228 | 228 |
| Pseudo R2 | 0.29 | 0.23 |

*Robust clustered standard errors at state-level. Significance tests are two sided: P<.10= *, P<.05= **, P<.001= ***

Table 6: Policy Process Change Models

| | Policy Layering | Policy Termination |
|----------------------------------|-------------------------------|--------------------------------|
| Resource Dependence Theory | | |
| Resource Munificence | | |
| Per Cap Own Source Change | -0.05 (0.17) | -0.21 (0.23) |
| Per Cap IGR Change | 0.41 (0.34) | 0.79 (0.49) |
| Time to Work- Change | 1.00 (0.96) | 1.06 (1.53) |
| Competition | | |
| hfrag Change | -0.05 (0.16) | -0.43 (0.30) |
| vfrag Change | 0.08 (0.38) | -0.29 (0.53) |
| Percent of Rev from Sales Change | -0.01 (0.01) | 0.00 (0.00) |
| Organization Interconnectedness | | |
| Govt Actors Change | 0.53* (0.28) | -0.87 (0.93) |
| Private Actors Change | -0.65 (0.51) | -1.98* (1.03) |
| Controls | | |

Structural

| | | |
|--------------|-----------------|-----------------|
| Mayor | -0.61 (0.52) | 0.49 (0.69) |
| Central City | 0.81 (0.52) | -0.55 (0.90) |
| Suburb | 0.42 (0.48) | -0.89 (0.63) |

Demographic/Economic

| | | |
|------------------------------------------|-----------------|--------------------------------|
| Pct Non-White Change | 0.17 (0.11) | 0.06 (0.13) |
| Pct Educ Less than High School Change | -0.47 (0.55) | -0.66 (1.30) |
| Per Capita HH Median Income Change | 0.02 (0.02) | -0.24 (0.26) |
| Agglomeration (Pop Density) Change | 0.26 (0.18) | -1.08* (0.56) |

Industry

| | | |
|-------------------------------------------------|-----------------|-----------------|
| Industrial Concentration (HHI) Change | 0.53 (1.09) | -0.32 (1.38) |
| Industrialization (Manufacturing Pct) Change | -0.76 (0.81) | -1.41 (1.26) |

*Base Category is Lock In. Policy Transition not reported because too few cases. Sensitivity analysis without Policy Transition changed estimates by no more than 0.001. Significance tests are two sided: P<.10= *, P<.05= **, P<.001= ***

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