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Introduction

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Introduction

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Illustrations: The Longest Economic Expansion . . . and Auto Era Ending . . . by Tom Toles
Part II. Changing Economy & Exclusion

INTRODUCTION

ECONOMIC crisis looms large in any critical analysis of Buffalo community. David Perry and Beverly McLean open this section on “Changing Economy and Exclusion” with an historical and empirical framework for analysis and a critical examination of the impact on Buffalo of global economic restructuring. In the aftermath of deindustrialization, they query, is a structurally new regional economy emerging? Or, instead, is Buffalo’s apparent improvement a transitory turn in a deeper historical economic decline?

Their answer sounds an important counterpoint to the popular celebration of Buffalo’s renaissance. The apparent shift from a manufacturing to a service economy may have left us for now with the worst of both worlds. On the one hand, the declining manufacturing base, still a substantial portion of this economy, remains fragile and highly dependent on external capital. On the other hand, the service sector depends in large degree on public sector expenditures at a time of government retrenchment, while the new service sector jobs are characterized by low skill and low pay. Perry and McLean help to demystify the economic restructuring of greater Buffalo and present a critical foundation for further analysis and strategic change.

The Buffalo area’s changing economy includes exposure to cuts in the federal defense budget. Despite the intervening war in the Persian Gulf, growing pressure to reduce the federal budget deficit and a thaw in cold war tensions may lead to the termination of certain weapons contracts and shutdown of military bases. Just one week prior to the April 1990 conference on Buffalo Change and Community, UB’s Nuclear War Prevention Group sponsored a March 1990 conference on Defense Cutbacks and Economic Opportunity: Converting from a Military to a Peace Economy. Linking the two conferences, Sam Cole and Blake Strack discuss here the potential economic dislocation and other ripple effects of defense budget cuts, in Buffalo and elsewhere, while questioning the likelihood of any significant “peace dividend.” The loss of defense related industrial jobs could lead to further capital flight, reduced tax base, social service strains, and weakening of other business sectors supported by the defense industry, such as transportation and banking.
Cole and Strack envision a proactive approach to economic conversion planning as part of a regional economic development strategy. They see an opportunity for articulating development priorities and focusing community action through the vehicle of retraining workers, retooling factories, developing civilian alternatives, and redirecting resources to meet community needs.

Such a proactive approach has been rare in Buffalo's past, with a history of failure to anticipate structural change in the economy. Concluding the journal section on the changing economy, Douglas Koritz contrasts Buffalo with Pittsburgh, another rust belt renaissance saga. According to Koritz, Buffalo, and in particular its capital elite, has not been effective in planning for change in the second half of this century. He acknowledges the devastating blow to Pittsburgh area workers and communities in the shift away from manufacturing. Further, he examines how the capital elite in Pittsburgh, more successfully than in Buffalo, appears to have weathered and directed the storm of a restructuring economy.

Since World War Two, Pittsburgh's corporate and financial elites were able to forge effective coalitions and control the redevelopment agenda there for nearly five decades, a degree of control over the public agenda that Buffalo's economic elite failed to obtain. The cohesive agenda among the Pittsburgh elite was facilitated in part by the relative concentration of capital and further by its relative immobility, this in contrast to Buffalo's fragmented and mobile capital.

Koritz concludes with an ironic forecast of hope, seeing now a window of opportunity for community and labor participation in an economic revitalization strategy for Buffalo. Despite increasing collaboration, the economic elite have yet to seize control of the redevelopment agenda in Buffalo. At least within the near future a coalition among community groups, organized labor, and selected business institutions can influence a nascent effort at organized restructuring.

PETER PITEGOFF
The federal government is broke. We'll have to pass costs to the states.

New York is broke. We'll have to pass costs to localities.

Erie County is broke. We'll have to raise local taxes.

Don't look at me.

The Longest Economic Expansion in U.S. History
February 26, 1990

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