

Working Paper 2007-11



BERKELEY
iurd

INSTITUTE OF URBAN AND
REGIONAL DEVELOPMENT

MACARTHUR FOUNDATION
RESEARCH NETWORK ON
BUILDING RESILIENT REGIONS

**Elections, Economics, and
Coalitional Politics:**

Investigating California's
Future(s)

Manuel Pastor

December 2006

UNIVERSITY OF CALIFORNIA

Elections, Economics, and Coalitional Politics: Investigating California's Future(s)

By:

Manuel Pastor
Latin American and Latino Studies
Center for Justice, Tolerance and Community
University of California, Santa Cruz

Draft Only: December 2006

Acknowledgements: Thanks to Rachel Rosner, Justin Scoggins, and Christian Martinez for research support, and thanks to the MacArthur Foundation's *Building Successful Regions* pilot network for inspiring and supporting several of the ideas informing this work.

INTRODUCTION

The last several elections in California have produced a series of both surprising victories and stunning defeats for both conservative and liberal forces. Underlying the wild swings in the state's political mood has been a series of shifting coalitions, particularly by race, class, and economic philosophy.

In October 2003, for example, California voters removed Governor Gray Davis from office in a special recall election and replaced him with Arnold Schwarzenegger. The electoral triumph was convincing: Schwarzenegger won nearly half the vote despite a crowded field that included three main contenders. Moreover, support was across the board – despite the presence of a moderate Latino Democrat, Lieutenant Governor Cruz Bustamante, competing to replace Davis, Schwarzenegger was able to secure 31 percent of the Latino vote (more than the 18 percent he secured of the African American vote, with the latter still remarkably high for a Republican in a multi-candidate election). Schwarzenegger also scored 40 percent of voters with household incomes below \$40,000, only six points shy of the edge he had with voters making between \$40,000 and \$75,000.¹ Republican pollsters were rightly thrilled with the gains and beneath the celebration was a confidence that perhaps a center-right rainbow coalition – one that focused on how a pro-business and pro- growth could benefit all – might have salience in California.

Yet the basis for this center-right coalition seemed shaken only two years later. In the November 2005 elections, every one of the propositions supported by now-Governor Schwarzenegger went down in defeat – along with a few supported by other interests, partly because of voter fatigue at legislating through the ballot box. From the point of coalitional politics, however, one of the more significant facts was that Latino support for the Governor's key proposition – an effort to limit government spending – stood at only 25 %, and class and racial divisions were very sharply drawn in the voters' response to another Schwarzenegger-supported proposition, one that sought to limit the ability of unions to utilize member-generated resources in political campaigns. While the general story of the election has rightly focused on the diminution of the Governor's power and popularity, partly due to a sort of overreaching via strong-arm reform, an equally important feature was the erosion of the nascent Republican rainbow, particularly with regard to the low-tax, anti-union aspects of the economic philosophy.

Meanwhile, in Los Angeles, a new rainbow was emerging, this in the form of the March 2005 election of Antonio Villaraigosa. The new mayor won over 60 percent of the overall vote, a result helped along by a very strong 84 percent share of the Latino electorate – but what was most striking was that Villaraigosa also garnered 50 percent of the white vote, 48 percent of the Black vote, and 44 percent of the Asian vote.² Strikingly, the support was also wide across the income board: about two-third of those in the income bands below \$60,000 in household income voted for Villaraigosa while his share of those with household incomes above \$60,000 was still a

¹ Data from a Los Angeles Times exit poll available at
<<http://www.igs.berkeley.edu/library/htRecall2003.html#Topic4>>

² Data taken from the L.A. Times exit poll. The Center for the Study of Los Angeles at Loyola Marymount University's exit poll suggest an even stronger showing: 57 percent of the white vote and 58 percent of the Black vote. <http://www.lmu.edu/csia/press/releases_2005/Runoff.html>

healthy 55 percent.³ This was the Democratic rainbow – one reaching across the geography of a fragmented Los Angeles and across the various racial and class lines that usually divide.

But will Antonio's coalition prove as ephemeral as Arnold's? Much, we would argue, depends on the nature of the economic model employed and the economic results obtained. After all, while each of these two coalition-forgers promised new strategies and new leadership that could reach across ethnic lines, there was also an explicit and implicit focus on economic strategies that could bridge the gap between business, labor and community. Undergirding the Schwarzenegger appeal was the promise to restore the state's economy from a brutal recession and to right the fiscal ship through business-friendly governance. The Villaraigosa campaign, while addressing a much broader range of local issues, also promised to resurrect the Los Angeles economy and address the widening divides of income that had plagued the city for nearly two decades.⁴

In our view, to understand the possibilities for coalition-building for a new California, it is necessary to step back from the immediate concerns of elections and polls and take up a series of underlying challenges, particularly economic, that must be faced by any political force seeking a place in the state's landscape. These include a full recognition of what I have termed the three "new's": the new demography, the new economy, and the new inequality. Essentially, the changing racial landscape of California has made coalitions both more necessary and more difficult, and triggered a new sort of "generation gap" – one in which the demography of the older population in the state is very different than that of the younger population and hence investments in the future have diminished.

This failure to invest is all the more important because of the other new's: the changing economy and the rise in income inequality. From a state that once prided itself on the broad opportunities for economic advancement and personal transformation afforded those who arrived here, California seems to have become a state marked by deep economic chasms. Addressing these will require a combination of robust economic growth, steady improvements in education, and policies focused on lifting labor and community standards. This is a combination that both cuts across and runs against traditional party lines as well as the usual gap between business and community agendas – and putting it in place to secure the future of California will require new coalitional skills.

Below, I focus on these big underlying economic challenges to coalition formation. I begin by first sketching the new trends in California, pointing out the ways in which the new demographics call out for new coalitions and the ways in which the new inequality shifts both material interests and economic imperatives. I then turn to coalition politics *per se*, noting how material interests, shared ideologies, and dynamic leaderships can undergird new alliances. I

³ Equally interesting, particularly in light of the ethnic "generation gap" we stress below, is that Villaraigosa was estimated to have received 77 percent of the voters aged 18-29 and 70 percent of those aged 30-44.

⁴ Indeed, it was exactly that widening divide that seemed to derail the coalition builder role model Villaraigosa has sought to imitate, former Mayor Tom Bradley. While his early years of governance brought great opportunity in public employment, his eventual economic development strategy relied on a downtown-based strategy that seemed to leave aside the neighborhoods. The growing opposition, stalemated economic development, and Bradley's growing lack of leadership on economic issues was signaled most strongly by his decision after the 1992 riots to turn over the recovery effort for poor neighborhoods to Peter Uberroth, a businessman from Orange County who had successfully organized the 1984 Olympics.

close by discussing how one potential source of encouragement: the new attention to regional economies, politics, and collaboratives. This is a new level of action in which mutual understandings are being built across the usual divides of race, class, and geography suggests that both researchers and political leaders should pay increasing attention to this scale of organizing when attempting to understand and create inter-ethnic and inter-sectoral coalitions.

UNDERSTANDING THE FUTURE: WHAT'S THE NEW'S IN CALIFORNIA

California is said to be the place where people reinvent themselves. It has also become the place where society is remaking itself, with rapid demographic changes that foreshadow those taking place in the rest of the United States, economic transformations that highlight both the promise and vulnerability of the national economy, and a growing degree of inequality that also seems to step ahead of the nation's trends in disparity.

Most attention has tended to focus on the changing demography of the state. As documented elsewhere in this volume, California had become a "majority-minority" state by the time of the 2000 Census: white residents were around 47 percent of the population, with Latinos comprising just under a third of the residents, Asian Pacific Americans around 11 percent, African Americans just under 7 percent, and the remainder consisting of Native Americans and those marking (non-Latino) mixed race. What is striking, however, is the rapidity of the change: while the African American share has remained stable since 1970, in that earlier year, whites were nearly three-fourth of the state population, Latinos were only 12 percent, and Asians were only 3 percent.⁵

Change is projected for the future. In the year 2030, the Asian Pacific American share of the populace will rise to about 13 percent while the African American share will continue to be stable. "Trading places" will be the Anglo and Latino populations: the former will decline to just under 30 percent while the latter will comprise a near-majority at 47 percent. Obviously, at a state-wide level, the era in which a single ethnic group could dominate politics is rapidly fading and will no longer be feasible – and it will not be possible even from the Latino majority that will emerge by 2040, primarily because the younger age profile and high likelihood of non-citizenship for Latinos insures that majority status in the population will take time to translate into majority status in the voting public.

The future is now, in two senses. The first involves drilling down to the level of cities and urban politics. In Table 1, I look at the thirty largest cities in California, the places where the state's social and economic fortunes may be made through key decisions in land zoning, economic

⁵ All data, including projections, is taken from the California Department of Finance Demographic Research Unit. The 2000 and forward data include slightly different categories; before 2000, the Census did not allow for individuals to mark mixed race and so the remainder in those years consists of native Americans and those who marked "other" on the race question and did not mark "Latino" on the Hispanic/non-Hispanic questions. Future projections allow for the mixed use response but do not project a significant upward trend in those marking that category; given the shifting racial politics and identity-making of the state, such a stable share may be a misleading assumption but it is one made in the state's projections.

development, and other matters – and where political up-and-comers can begin their ascension to state and county offices. Of these thirty cities, only eight have an Anglo majority – and the most populous of these are Bakersfield and Glendale (the 12th largest and 15th largest cities) that both boasted a razor-thin white majority in 2000 that has surely disappeared by mid-decade. There were five majority Latino cities but even in the largest of these, Santa Ana, coalition politics are necessary given the city's location in a white and more conservative Orange County.

Taken as a whole, moreover, the demographics of these top thirty cities suggest the governance challenges ahead. If we sum up the populations of these municipalities– which amount collectively to just over 40 percent of the state's population – we find that they are 37 percent Anglo, 37 percent Latino, 9 percent African American, and 14 percent Asian Pacific American. Governing such cities either individually or as a collection of urban interests is necessarily a coalitional enterprise.

Table 1.
Ethnic Composition of the Most Populous Thirty Cities in California

Ranking	City	Total Population	% Non-Latino White	% African American	% Latino	% Asian Pacific America	% Multirace and Other	Cumulative City Share of State
1	Los Angeles	3,694,820	29.7%	10.9%	46.5%	10.0%	2.8%	11.9%
2	San Diego	1,223,400	49.4%	7.6%	25.4%	13.9%	3.7%	15.8%
3	San Jose	894,943	36.0%	3.3%	30.2%	27.0%	3.5%	18.6%
4	San Francisco	776,733	43.6%	7.6%	14.1%	31.1%	3.6%	21.1%
5	Long Beach	461,522	33.1%	14.5%	35.8%	13.1%	3.5%	22.6%
6	Fresno	427,652	37.3%	8.0%	39.9%	11.1%	3.7%	24.0%
7	Sacramento	407,018	40.5%	15.0%	21.6%	17.3%	5.6%	25.3%
8	Oakland	399,484	23.5%	35.1%	21.9%	15.6%	3.9%	26.6%
9	Santa Ana	337,977	12.4%	1.3%	76.1%	9.0%	1.2%	27.7%
10	Anaheim	328,014	35.9%	2.4%	46.8%	12.3%	2.7%	28.7%
11	Riverside	255,166	45.6%	7.1%	38.1%	5.9%	3.3%	29.5%
12	Bakersfield	247,057	51.1%	8.9%	32.5%	4.2%	3.4%	30.3%
13	Stockton	243,771	32.2%	10.8%	32.5%	19.7%	4.8%	31.1%
14	Fremont	203,413	41.4%	3.0%	13.5%	37.1%	5.0%	31.8%
15	Glendale	194,973	54.2%	1.1%	19.7%	16.1%	8.9%	32.4%
16	Huntington Beach	189,594	71.9%	0.7%	14.7%	9.5%	3.3%	33.0%
17	Modesto	188,856	59.6%	3.7%	25.6%	6.3%	4.8%	33.6%
18	San Bernardino	185,401	28.9%	16.0%	47.5%	4.4%	3.2%	34.2%
19	Chula Vista	173,556	31.7%	4.3%	49.6%	11.1%	3.2%	34.8%
20	Oxnard	170,358	20.6%	3.5%	66.2%	7.5%	2.2%	35.3%
21	Garden Grove	165,196	32.5%	1.1%	32.5%	31.4%	2.5%	35.8%
22	Oceanside	161,029	53.6%	5.9%	30.2%	6.5%	3.7%	36.3%
23	Ontario	158,007	26.6%	7.2%	59.9%	4.1%	2.3%	36.9%
24	Santa Clarita	151,088	69.3%	2.0%	20.5%	5.3%	3.0%	37.3%
25	Salinas	151,060	24.2%	3.0%	64.1%	6.0%	2.6%	37.8%
26	Pomona	149,473	17.0%	9.3%	64.5%	7.2%	2.1%	38.3%
27	Santa Rosa	147,595	70.9%	2.0%	19.2%	4.0%	3.9%	38.8%
28	Irvine	143,072	57.0%	1.4%	7.4%	29.8%	4.4%	39.2%
29	Moreno Valley	142,381	32.2%	19.3%	38.4%	6.2%	3.8%	39.7%
30	Hayward	140,030	29.2%	10.6%	34.2%	20.5%	5.5%	40.1%

Data: U.S. Census 2000, Summary Tape File 1

The second way in which the future is now is the distinction between demography by current age. While Latinos are only 22 percent of those between the ages of 40 and 64 (a high earning

and high tax-paying population), and only 13 percent of those over the age of 65 (a population that has lower earnings but a high propensity to vote), they comprise fully 45 percent – roughly the percent they will achieve statewide in 2030 – of those under the age of 18. By contrast, Anglos are roughly two-thirds of those over 40 and about one-third of those under 18. The future of the state is multi-ethnic – the current voters are much less so – and this is the real "generation gap" that should worry Californians. Indeed, it suggests that a broad set of coalitions will be necessary to muster the investments for the future of the state.

The issue of a racial generation gap is taken up by Peter Schrag in his masterful account of California's recent political and economic history, *Paradise Lost*.⁶ Schrag suggests that older, whiter, wealthier voters do not see their fate as tied to that of younger, minority, and poorer future residents – and are therefore unwilling to tax themselves to pay for that future. Consistent with Schrag's hypothesis, public opinion data collected by the Public Policy Institute of California suggests that willingness to invest equitably is highest among the youngest cohorts and declines with age. For example, 62 percent of people ages 18 to 34 years said that low-income and minority schools should get more money for facilities. Among people ages 35 to 54 years, the share responding this way was only 54 percent and it was only 49 percent among people 55 years and older.⁷

That such "demographic divergence" by age might matter is shown in a recent study by Pastor and Reed.⁸ There, the authors calculate a specific measure of "demographic divergence" – the percentage point gap in the share white among those ages 65 years and older compared to those ages 17 years and younger. They assess the cross-state relationship between per capita capital outlays and the difference between the demographic composition of children and elders.⁹ Comparing across states, they find that capital spending does not have a strong relationship to demographic divergence by age (with and without controls for state per capita income). On the other hand, the larger the difference in the ethnic composition of the old and the young, the more likely it is that states will have a substantially higher share of outlays at the local level as opposed to the state level (see Figure 1).

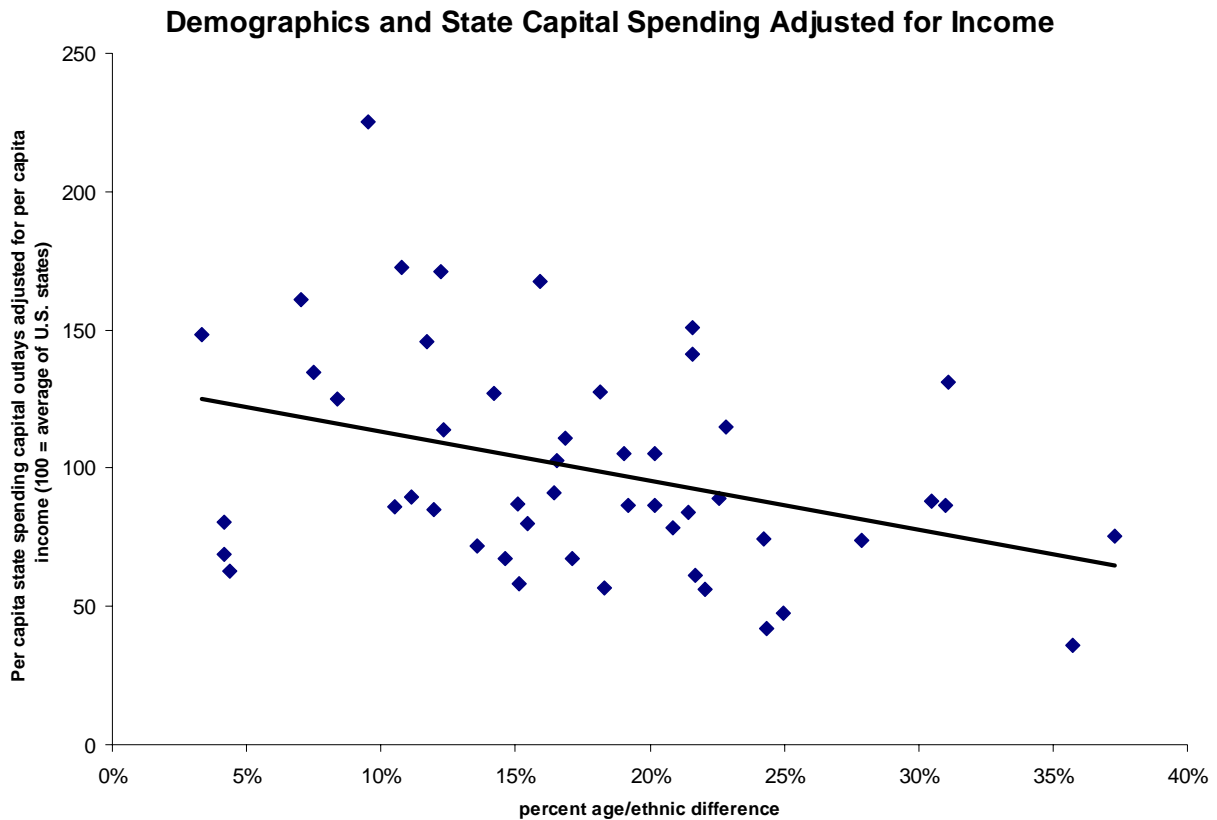
⁶ Peter Schrag, *Paradise Lost: California's Experience, America's Future* (New York: W. W. Norton, 1998).

⁷ Analysis of the underlying data in the special statewide poll discussed in Mark Baldassare, *PPIC Statewide Survey: Special Election on Californians and the Future* (San Francisco, California: Public Policy Institute of California, 2004).

⁸ Manuel Pastor and Deborah Reed, "Understanding Equitable Infrastructure for California," in Ellen Hanak and Mark Baldassare, editors, *California 2025: Taking on the Future* (San Francisco: Public Policy Institute of California, 2005) 193-224.

⁹ Data on capital spending were from the U.S. Census of Governments for 1999-2000 in order to match with demographic and income data from the 2000 Census. Capital spending was measured as the sum of state and local capital outlays.

Figure 1



The localization of spending reflects a desire to husband resources close to home and works against some of the broader interests of the state. California, after all, is host to two other "new's" – the new economy and the new inequality. A discussion of the new economy could go many different directions – exploring the state's reliance on high tech, creative industries, and other economic clusters typical of cutting edge economies; documenting the growing importance of international trade and migration, and hence the need to consider the economy in global context; and/or the continuing growth of service industries and the apparent emergence of a post-industrial order. Certainly, one background imperative for any political action at the state, regional, or local level is understanding the potential new drivers of economic growth, particularly as the state faces rapid outsourcing of both high-tech production and design, as well as mid-level jobs such as manufacturing and even service areas such as call centers.

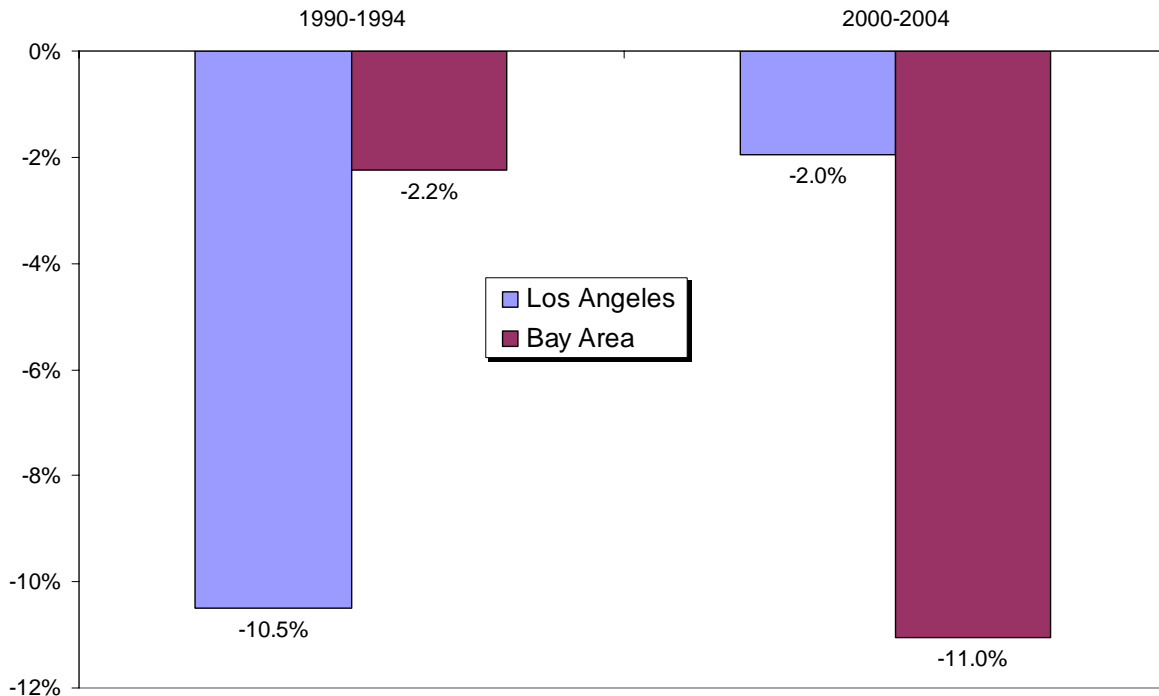
From the point of view of coalitional politics, however, what is most important to stress is the regionalization of the California economy.¹⁰ That is, where there were once common trajectories to much of the state's performance – as Los Angeles or the Bay Area rose, so did the state and vice versa – we have seen a growing divergence in regional fortunes and possibly futures. The starkest illustration of this is the experience of the last two major recessions in California: as illustrated in Figure 2, in the recession of the earlier 1990s, the Los Angeles area lost over ten

¹⁰ For a general analysis of the impulse toward the regionalization of economies, see Michael Storper, *The Regional World: Territorial Development in a Global Economy* (New York: Guilford Press, 1997).

percent of its employment base while the Bay Area lost only about two percent, and in the recession of the early 21st century, the experience is almost a complete mirror image.

Figure 2

Loss in Non-Farm Employment Over Two Recessions as Percent of Initial Employment, Los Angeles and the Bay Area



The regional divergence in economic performance has given rise to a new regionalism of economic strategy making. Indeed, one of the most interesting phenomena in the last decade has been the rise of what have been termed "regional collaboratives": civic-oriented groups, often with strong business leadership, that have taken on the task of creating new conversations about regional economic fortunes. These have included Joint Venture: Silicon Valley Network, a business-led group that helped steer the Silicon Valley through the recession of the early 1990s and continued to play an influential in regional planning; the Gateway Cities Partnership, that brings together city and civic leadership in the older suburbs adjoining the Alameda Corridor in Southern California; and the Fresno Area Collaborative Regional Initiative, initially launched by the Fresno Business Council and the Central California Futures Institute, that is seeking to improve the competitiveness of an area of the state that has often been known mostly for inexpensive agricultural labor.¹¹

¹¹ For an in-depth analysis of the origins of one of the first of these collaboratives, Joint Venture, see Doug Henton, John Melville, and Kim Welsh. *Civic Revolutionaries: Igniting the Passion for Change in America's Communities* (San Francisco, CA: Jossey-Bass, 2004) and AnnaLee Saxenian and Nadya Chinoy Dabby, "Creating and Sustaining Regional Collaboration in Silicon Valley? The Case of Joint Venture: Silicon Valley" in *(IURD) Working Paper Series* (Institute of Urban & Regional Development WP-2004-05). For more on the collaboratives in general, see the web site of the California Center for Regional Leadership <www.calregions.org>

These coalition or collaborative efforts, however, have generally been less successful at tackling one of the most important bit of "new's" affecting the state's future: the new inequality. California has historically been a state of promise, a place where migrants come from both other states and other countries to participate in the opportunities of a booming economy. Of course, the state has also long been marked by inequality as well: in the 1978-80 period, California was the 15th most unequal state in the country when comparing the average income of the top fifth of households in the distribution to the bottom fifth of the distribution, and 12th in the country when comparing the top fifth to the middle fifth. However, these measures were only barely off the national average, less than two percent higher in terms of an inequality measure for the former measure and around three percent higher for the latter.¹² This suggests that income inequality in California, while a bit more pronounced, was not highly unusual.

By the 1998-2000 period, California had become the fourth most unequal state in the U.S. when comparing the top fifth of households to the bottom fifth of households, and the third most unequal when comparing the top to the middle. Moreover, the divergence from the national average had risen substantially: the divergence of the ratio for the top to bottom was ten percent above the national average and the ratio for the top to the middle was seven percent higher than the national average.

The pattern of inequality is, of course, not disconnected from the new demography. Poverty in California, for example, differs dramatically by race. To look at this, consider the experience of individuals living below 150 percent of the federally defined poverty level – in 2004, the official poverty rate for a family of four with two children was \$19,157 and the 150 percent level was \$28,736, much closer to what most analysts would consider struggling in California's high cost housing markets. By that light, nearly 40 percent of Latinos lived under the poverty rate in the 1999-2004 period with the figure for African Americans being thirty percent, for Asians eighteen percent, and for Anglos 15 percent.¹³

One typical explanation for both the general level of inequality and the high rates of Latino poverty is the presence of immigrants. Certainly immigration had something to do with the pattern. However, if we consider the behavior of household income for just those California households headed by U.S.-born adults, we find that between 1993 and 2003, real median household income for those at the tenth percentile of the income distribution grew by only by only 7.7 percent while those at the ninety-fifth percentile of the income distribution grew by 20 percent. This is less than when we include immigrant households – for all households, real

and for more on business-led regional partnerships in general and the intersection with urban regime theory, see James Austin, James, and Arthur McCaffrey, "Business Leadership Coalitions and Public-Private Partnerships in American Cities: A Business Perspective on Regime Theory," *Journal of Urban Affairs*, vol. 24, no. 1 (2002) 35-54.

¹² This is calculated from Appendix Table 5 in Jared Bernstein, Jared, Elizabeth C. McNichol, Lawrence Mishel, and Robert Zahradnik, *Pulling Apart: A State-by-State Analysis of Income Trends* (Washington, DC: Economic Policy Institute and Center on Budget and Policy Priorities, 2000) 61.; downloadable at <<http://www.cbpp.org/1-18-00sfp.htm>>. The data for the 1998-2000 period makes use of the 2002 update of this document and utilizes the data sheets produced for each state.

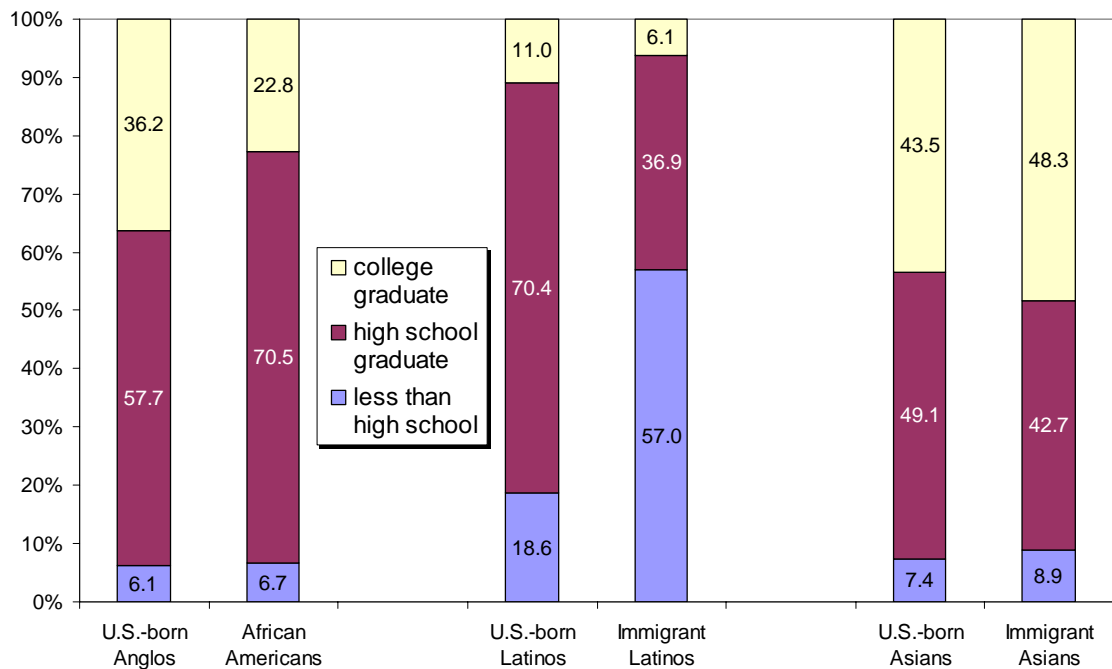
¹³ Poverty rates calculating by pooling multiple years of the March Supplement of the Current Population Survey for California.

income for those at the bottom of the income distribution grew by only 3.6 percent while real income for those at the top grew by 20.6 percent.¹⁴ Still, the key fact is that the shifting gap between rich and poor is not entirely or even mostly explained by the presence of immigrants. Moreover, there are persistent ethnic gaps even after one controls for migration. Considering the period 1999-2004, for example, median income for immigrant Latino households was only 56.3 percent of that for U.S.-born Anglo households. But income for U.S.-born Latino households – for second, third, and more generations – was only 78.5 percent of that for U.S.-born Anglo households.

One of the key variables explaining the disparate economic performance for both migrants and U.S.-born Latinos is education. Figure 3 shows the education attainment for those in California’s labor force by race, ethnicity, and immigration. As can be seen, well over fifty percent of Latino immigrants in the labor force lack a high school education, clearly a factor in the earnings disparity for immigrants. What is striking is the extraordinarily low presence of college graduates in the workforce for the U.S.-born Latinos workforce, even when compared to African Americans.

Figure 3

Educational Attainment for Work Force by Ethnicity and Immigration, California, 1999-2004



Steve Trejo has suggested that this educational difference accounts for virtually all of the difference in economic outcomes between Anglos and second- and third-generation Mexican-

¹⁴ All calculations made using various years of the March Supplement of the Current Population Survey for California.

Americans.¹⁵ I have argued that for a variety of reasons this likely overstates the contributing role of education and diminishes the importance of both social networks and ongoing discrimination.¹⁶ Regardless of the weights one attaches to these explanations, raising the educational profile of U.S.-born Latinos is a must if we are to see improvement in both addressing the new inequality in the state – and providing the solid human capital base for further economic growth. And this is a key part of any coalitional politics that seriously purports to secure the future of the state.

NARROWING THE DIVIDE: COALITIONS AND STRATEGIES

As Karen Kaufman succinctly puts it, "coalitions are formed on the basis of shared interests, overlapping political ideologies, dynamic leadership, or a bit of all three."¹⁷ Sonensheim has stressed ideological factors, particularly shared liberal values, in his account of Tom Bradley's ascent as the Mayor of Los Angeles.¹⁸ Like other analysts, we tend to think that material interests may be the most important but would caution that they are often complex and must be seen in the context of repeated games.

In Pastor and Marcelli, we discuss one particularly vexing example: the possibilities of Black-Latino coalitions in light of the issue of immigration.¹⁹ While the evidence suggests that the economic effects are sometimes mixed and frequently complex, it seems to be the case that immigration tends to put pressure on low-wage labor markets in which African Americans may work. Despite this, African Americans in California, while not as sympathetic to immigrants as Californian Latinos, are far more sympathetic than whites: when asked to rank immigrants as a benefit or a burden, 53% of whites chose burden with 47% selecting benefit with 55% of Blacks choosing benefit and 45% selecting burden.²⁰ More direct evidence splitting out the perceptions economic and political benefits suggests that African Americans in California may be aware of the economic costs but see potential political gains.²¹

¹⁵ Stephen J. Trejo, "Why Do Mexican Americans Earn Low Wages?" *Journal of Political Economy*, vol. 105, no. 6 (1997) 1235–1268.

¹⁶ Manuel Pastor, "Rising Tides and Sinking Boats: The Economic Challenge for California's Latinos," in David Lopez and Andres Jimenez, editors, *Latinos and Public Policy in California: An Agenda for Opportunity* (Berkeley, CA: Berkeley Public Policy Press, 2003) 35–63.

¹⁷ Karen Kaufmann, "Still Waiting for the Rainbow Coalition? Group Rationality and Urban Coalitions." Paper presented at American Politics Workshop, Department of Government and Politics, University of Maryland, Spring 2005, p. 4; downloadable <<http://www.bsos.umd.edu/gvpt/apworkshop/kaufmann3.pdf>>

¹⁸ Raphael Sonensheim, *Politics in Black and White: Race and Power in Los Angeles* (Princeton, NJ: Princeton University Press, 1993).

¹⁹ Manuel Pastor and Enrico Marcelli, "Somewhere Over the Rainbow? African American, Immigration, and Coalition-Building," *Review of Black Political Economy*, vol. 31, Issue 1-2 (2004) ???.

²⁰ Zoltan Hanjal and Mark Baldessaere, *Finding Common Ground: Racial and Ethnic Attitudes in California* (San Francisco, CA: Public Policy Institute of California, 2001) p. 10.

²¹ In Los Angeles County, the focal point for the presence of undocumented immigrants in the state and a place where much has been made of both Black-Latino proximity and Black-Latino conflict, results from the Los Angeles Survey of Urban Inequality indicate that African-Americans are as pessimistic as Whites about the impacts of immigrants on their economic opportunity – 46.1 percent of white and 48.5 percent of Blacks see future immigration as diminishing economic prospects – but there is much more optimism among Black on the political side: while 51.6 percent of Whites believe that future immigration will reduce their political influence, only 45.2

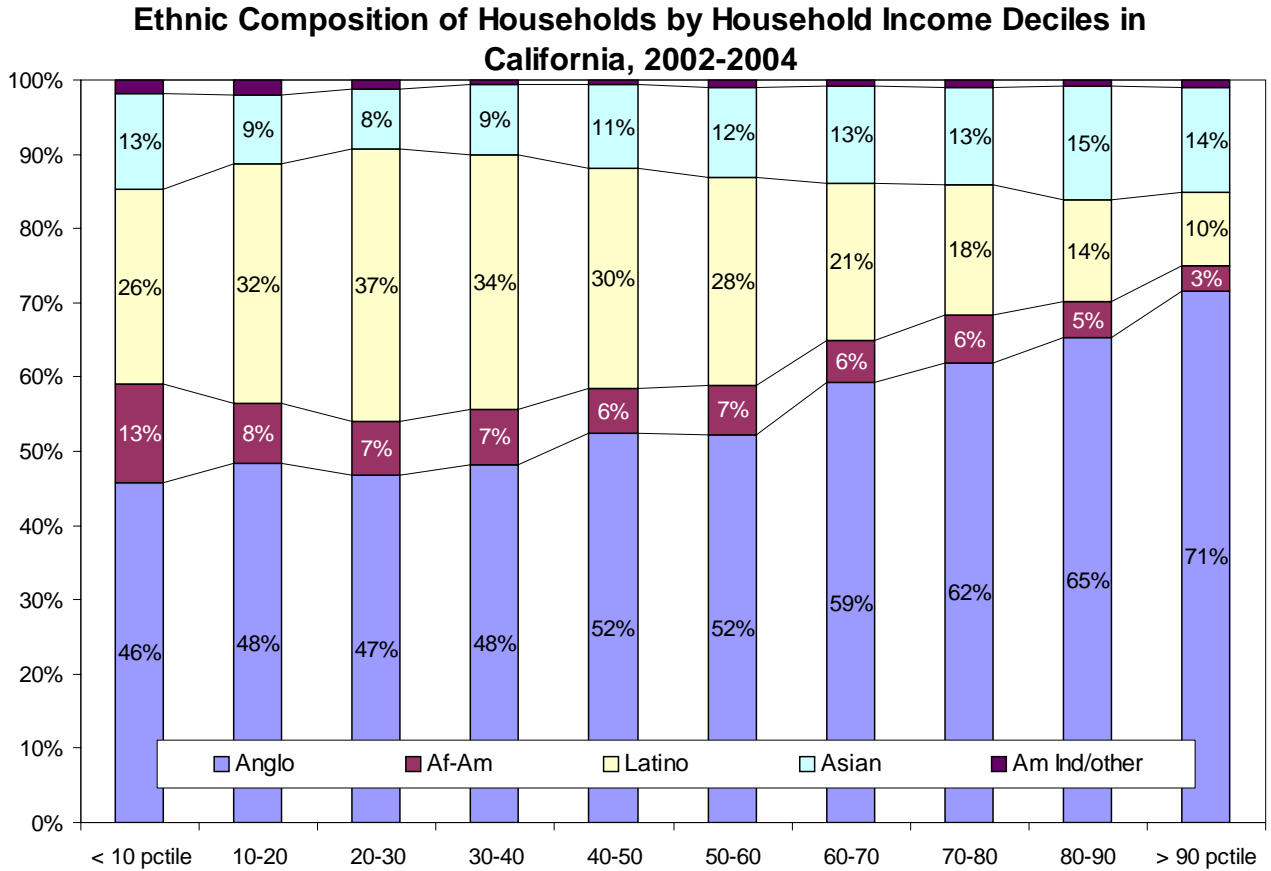
This is, we argue, not because of a sort of irrational "rainbow" consciousness – which might also be ascribed to ideological leanings and predilections but rather because there is an awareness that policies that limit opportunities to one community might boomerang back to affect another. In California, for example, the restrictionist legislation embodied in Proposition 187 was a precursor for Proposition 209 which banned Affirmative Action, a policy of great importance to the state's Black population. Moreover, coalitions today must be considered in the context of a repeated policy game in which Latino population growth is ongoing and where the decision to move toward citizenship is, in part, an endogenous choice that can be provoked by either positive desires to align or defensive strategies in reaction to attack.²²

At the broader level of state-wide coalition-building, then, it is crucial to see if there are common economic and other interests – and to see how these play out by race, particularly in light of the rapidly changing demography. Figure 4 takes a look at the income distribution in the state, pointing out the ethnic composition of the households in each decile of the state's income distribution as a way of understanding the basis for inter-racial coalitions around economic issues. The interesting things to note: the significant concentration of African Americans at the bottom and considerable and nearly monotonic decrease in their share as we move up the income deciles. This is accompanied by an equally monotonic and then sharply increasing share of whites as we head into the top income groups; the bifurcation of the Asian Pacific population with high shares for both the lowest decile and the higher deciles; and the concentration of Latinos in the second through fifth deciles, exactly the sort of working class base for many traditional economic coalitions.

percent of Blacks feels that way and 25.7 percent actually feel that future immigration will improve their political influence, a rate twice that for whites. It should be noted that this survey was conducted around the time of the L.A. civil unrest when economic prospects were dim and ethnic tensions were high (including Black-Latino squabbling over monies for rebuilding); in this context, the positive attitudes toward immigrants are impressive.

²² This was an insight forgotten by California's former Republican governor, Pete Wilson, when he coupled his run for re-election with the fate of Proposition 187 and instead helped prompt a defensive burst in Latino naturalization, registration and voting. The hemorrhaging of the Republican Party – a party whose attachment to traditional family values could have some appeal to Latino and immigrant constituents – was only arrested in 2003 by running a social moderate, Arnold Schwarzenegger, in the unusual terrain of a recall election.

Figure 4



Both the chart and the previous analysis suggest that there may be coalitions to be made on improving economic prospects for Latinos and African Americans – and given the projected growth in the Latino population, it is quite possible to argue that the materials interests of the whole state will be enhanced by the superior economic performance of that group. However, these sort of coalitions are necessarily complicated. Despite having a lower poverty rate, Blacks are actually more concentrated at the bottom than are Latinos – this partly reflects the fact that unemployment-induced poverty is important for the former while working poverty is important for the latter, and the strategies to address each are necessarily different.²³ Meanwhile, the bifurcation of the Asian population suggests a complicated set of material interests while the white population, while disproportionately wealthy, is also a significant part of the lower deciles and thus needs to find a key place in any political economic future.

²³ See also the discussion in Raphael Sonenshein and Susan H. Pinkus, "The Dynamics of Latino Political Incorporation: The 2001 Los Angeles Mayoral Election as Seen in *Los Angeles Times* Exit Polls." *PSOnline* www.apsanet.org (2002) p. 72, regarding the much higher presence of African Americans (relative to Latinos) in public employment; for the latter, shifting policies around private employers, including such policies as minimum wages and access to health insurance, are generally more important.

Are there possibilities for multiracial coalitions? In the early 1990s, in the wake of the Los Angeles civil unrest, Jaime Regalado rightly pointed out that theoretical literature on interethnic coalition-building – a crying need in light of the squabbling that emerged in the post-riot rebuilding – was surprisingly thin.²⁴ The years since his article have seen additions to the field but far less than would seem optimal in light of the seeming imperative for such strategies in the context of a changing California. Moreover, much of the literature seems to remain focused on inter-ethnic conflict and the accession of particular ethnic groups, with often pessimistic and Hobbesian views of the possibilities. Kaufman, for example, is pessimistic about Black-Latino alliances, stressing the inelasticity of the economic pie that can be redistributed to satisfy constituents at a municipal level.²⁵

Yet our initial examples of Arnold and Antonio – with an intentional coalition effort in the case of the latter and a more implicit approach in the case of the former – suggest that this game of interethnic alliances is one that is being played actively. Moreover, given the economic challenges I have outlined, coalitional imperative go beyond race, and involve the need to bridge the gap between business, labor, and community.

Indeed, to address the gaps I have documented calls for a complicated mix of policies. A three-pronged strategy would seem to be necessary: sustained economic growth that could provide the buoyancy needed to move up the economic ladder, education and training to provide workers with the skills for mobility, and labor and community standards that could hold up the floor for those on the bottom. Business interests tend to stress and support the growth part of such a package, with emphasis on how government could support private investment and then stand out of the way, while labor, minority, and community groups tend to stress an important and continuing role for government as well as the implementation of basic standards, such as minimum wages, living wage laws, and access to health insurance.

Successful politicians, I would suggest, are at least trying to square this coalitional and policy circle. Schwarzenegger was certainly perceived as business-friendly but he was also seen as a moderate, bringing into his administration pragmatic Democrats such as Sunne McPeak, former executive director of the Bay Area Council, one of the aforementioned regional collaboratives. In fact, one explanation for the 2005 slippage in his approval ratings – by June 2005, the

²⁴ See Jaime Regalado, "Community Coalition-Building," in *The Los Angeles Riots: Lessons for the Urban Future*, ed. Mark Baldassare (Boulder, CO: Westview Press, 1994) 205-235.

²⁵ See Kaufman, op cit. James H Johnson, Jr. and Melvin Oliver, "Interethnic Minority Conflict in Urban America: The Effects of Economics and Social Dislocations," *Urban Geography* 10 (1989) 449-463, also stress the perception of Black-Latino competition in the labor market, especially in the context of urban economies that have undergone massive restructuring – a feature quite typical of California's major urban markets. For the more optimistic views of coalition-building, including at a municipal level, see Rufus P. Browning, Dale Marshall and David Tabb *Protest is Not Enough: The Struggle of Blacks and Hispanics for Equality in City Politics* (Berkeley: University of California Press, 1984); Raphael J. Sonenshein, "The Prospects for Multi-racial Coalitions: Lessons From America's Three Largest Cities," in *Racial Politics in American Cities*, eds. Rufus P. Browning, Dale Rogers Marshall, and David H. Tabb (New York: Longman, 1997) 259-276; and Angela Glover Blackwell, Stewart Kwoh, and Manuel Pastor, *Searching for the Uncommon Common Ground: New Dimensions on Race in America* (New York: W.W. Norton, 2002). John J. Betancur, "The Possibilities of Collaboration and the Challenges of Contention," *The Collaborative City: Opportunities and Struggles for Blacks and Latinos in U.S. Cities*, eds. John J. Betancur and Douglas C. Gills (New York: Garland Publishing, 2000) 253-258, also notes that Black-Latino coalitions are often more feasible at the grassroots level rather than at the level of competitive political elites.

nonpartisan Field Poll of registered voters found that just 39 percent said they were inclined to give Schwarzenegger a second term, a sharp decline from the 56 percent who said they inclined to re-elect Schwarzenegger in February of that year – is that he overreached politically, taking up the business agenda with a fierceness that damaged his image as an alliance builder representing multiple interests.²⁶

Villaraigosa is facing the challenge from an opposite direction. While he has named a number of progressives to key commissions, his ties with business are strong and he has strived to keep them that way. The balance struck is reflected in his position on inclusionary zoning, a strategy designed to force developers to include affordable units in market-rate developments: he has announced he is for it but wishes to wait until he can generate a consensus of the developer community on the strategy. In the meantime, he has pushed for a \$1 billion housing bond, a prospect that has both developers and affordable housing advocates pleased.²⁷ He has also paid public attention another key issue that got him elected and one that will be crucial to economic performance: education.²⁸ Whether he can maintain the business-community and inter-ethnic coalition that brought him to office and make progress on some of these issues will be crucial to determining both his fate and that of Los Angeles, and perhaps the future of both Southern California and the state in general.

LOOKING FORWARD, LOOKING REGIONAL?

California faces sharp challenges in the upcoming decades. Projected population growth will tax the natural resource base, creating strains on the environmental assets that have been a key feature of, and attraction to, California. Sustaining economic growth to accommodate the new population will be difficult in the midst of globalization and the off-shoring of high-tech and other jobs, and the task of insuring the state's competitiveness will bedevil economic planners and private sector investors alike. Inequality is likely (in the absence of public will and action) to grow, adding to political stresses and diminishing the long-term productivity of the state.

The way out of this set of challenges will involve new policy mixes and new coalitions. Policy will need to incorporate both the pro-growth tendencies of business leaders and the pro-equity sentiments of labor and community groups – and respect the natural constraints so emphasized by environmental activists. As if this balance is not difficult enough, bringing voters, residents, and key political leaders together on such an agenda will be made more complicated by the changing demography of the state. On the one hand, there is no ethnic "majority" at the state level and very few major urban political markets where a single ethnic group holds political sway. On the other, the residents with the highest voting and economic power – those who are older and more economically secure – have a very different demographic than the youth whose future is held in their hands (in terms of both taxes and ballots).

²⁶ Data from Beth Fouhy, "Poll Shows Majority of Californians Do Not Want Swartzenegger Reelected," Associated Press, posted June 29, 2005 10:26 AM.

²⁷ Richard Fausset and Steve Hyman, "Mayor to Seek Housing Bond," *Los Angeles Times*, October 27, 2005.

²⁸ Education was the top concern of Villaraigosa voters. See Michael Finnegan and Mark Z. Barabak, "L.A.'s New Mayor: Villaraigosa's Support Goes Beyond Latinos" *Los Angeles Times*, May 19, 2005.

The future of the state, in short, demands a strong commitment to coalition-building. To understand whether we should be hopeful that the supply of coalition-building skills will meet this demand, I return to Kaufman's notion that three things explain successful coalitions: shared material interests, shared ideology (or what I prefer to think of as vision), and dynamic leadership. As noted before, I would add to this mix the notion of repeated interactions or sustained relationships – success breeds success and trust breeds trust, and creating mechanisms for taking first steps together is important. And finally, I wish to stress here a particular aspect of what has formed the traditional basis for thinking about coalitions: the geographic level at which alliances are built.

Such a focus on geography is consistent with the notion that space and scale are critical variables in multiracial coalitions.²⁹ After all, the major focal point for many analyses of inter-ethnic groups has been at the level of the city and in the context of urban regimes and regime theory – and conflicts are often perceived as neighborhood-level struggles over redistribution (as with Kaufman's analysis). But if space can be significant to coalitions, it may be time to think about politics at a scale that is increasingly interesting to urban geographers and economic analysts: the region.

With regard to finding common material interests, I believe that the regional level, while often less a focus of political theory, may be more conducive than the state or local level to forging new alliances. I noted above that California has been host to a series of interesting regional collaboratives that, in their various unique ways, have tried to bring together economic, environmental, and equity concerns. More concretely, they have tended to bring together leaders across sectors, as well as geography and race, to discuss common regional futures.

The reason is not just good will, but rather a response to the increasing regionalization of the economy, a trend noted above.³⁰ And while the notion of regional competitiveness has certainly dominated the thinking of many of the regional collaboratives that have emerged in the state, there has also been some elements of inclusion and equity that could broaden political coalitions. Why are such interests coming together? While there remains great ideological and political debate about whether there is a trade-off between equity and efficiency – that is, between fairness and growth – the regionalist agenda has been built on both a theoretical frame and an empirical basis that suggests complementarities and thus gets past the zero-sum politics embodied in the notion of an "inelastic" economic pie.³¹ This framework also views diversity as an asset for economic competitiveness. There is, in short, an emerging vision of common interest that could be seen as a framework for change.

²⁹ Melvin L. Oliver and David M. Grant, "Making Space for Multiethnic Coalitions: The Prospects for Coalition Politics in Los Angeles," in *Multiethnic Coalition Building in Los Angeles*, eds. Eui-Young Yu and Edward T. Chang, (Los Angeles: California State University, Los Angeles, 1993) pp. 1-34.

³⁰ William Barnes and Larry C. Ledebur, *The New Regional Economies: The U.S. Common Market and the Global Economy* (Thousand Oaks, CA: Sage Publications, 1998) and Manuel Pastor, Peter Dreier, Eugene Grigsby, and Marta López-Garza, *Regions That Work: How Cities and Suburbs Can Grow Together*, (Minneapolis, Minnesota: University of Minnesota Press, 2000).

³¹ Pastor, et al., op cit. and Paul D. Gottlieb, "The Effects of Poverty on Metropolitan Area Economic Performance," in *Urban-Suburban Interdependence: New Directions for Research and Policy*, eds. Rosalind Greenstein and Wim Wiewel (Cambridge, Massachusetts: Lincoln Institute for Land Policy, 2000) 21-48.

The Bay Area Council, for example, is a business organization that has teamed up with social justice advocates to launch a program to spur investment in low-income minority communities. And such activities are not limited to the more liberal or urban parts of the state. In the Central Valley, the fastest growing part of the state, the Great Valley Center, headed by moderate Republican Carol Whiteside, has engaged in a variety of programming for community and business leaders as well as local government officials. In addition to straightforward economic development and sustainability projects, they have placed an emphasis on leadership development – and in both their Leadership Institute (offered for public officials) and their Institute For The Development Of Emerging Area Leaders (IDEAL) which is targeted at community-based organizations, they have evidenced a commitment to training diverse populations and building new inter-ethnic networks. In the Monterey Bay area, a group called Action Pajaro Valley has brought together developers, environmentalists, government officials, and representatives of the broad community to forge a compact for growth management that has allowed economic expansion and helped to stem a growing conflict between largely white environmentalists and mostly Latino political leaders.

Apart from these intersectoral regional alliances that include and are often driven by business interests, there have emerged a series of more focused progressive efforts, such as the Los Angeles Alliance for a New Economy (LAANE), San Jose's Working Partnerships, USA, and the Bay Area's Social Equity Caucus. LAANE, for example, has led the fight for living wage laws across Los Angeles County, and has brokered agreements for Community Benefits Agreements (CBA) across the region; its most recent CBA success was an effort that brought together Latino-dominant unions and African-American community organizations as well as school officials, environmentalists, and others to secure an unprecedented \$500 million in benefits from the proposed expansion of the Los Angeles airport. Working Partnerships, meanwhile, has created a Leadership Institute that provides multi-racial training and it has provided leadership in securing a living wage law for San Jose, and created a health insurance program for children in both the city and Santa Clara County. The Social Equity Caucus has brought together social justice organizations in African American, Latino, and Asian Pacific communities through the Bay Area to organize for improved transportation, housing, and environmental conditions; while its accomplishments are less concrete, it is creating the sort of fabric of understanding (or "social capital") that seems to have been crucial to the effectiveness that now characterizes LAANE and Working Partnerships.³²

The point is simple: material interests are finding expression at regional tables as are new coalitions and alliances. So too is the understanding that diversity is a strength and that equity and inclusiveness can be part of an overall economic strategy. Many of the various efforts described have made major commitments to leadership development: both the more business-oriented collaboratives which annually come together in a Civic Entrepreneurs Summit and the social justice groups which have been working recently in an emerging statewide alliance see themselves as further the creating of "boundary-crossing" leadership.

³² For more on the evolution of such social capital in Los Angeles, see Manuel Pastor, "Common Ground at Ground Zero? The New Economy and the New Organizing in Los Angeles," *Antipode*, vol. 33, no. 2 (2001) 260-289, and Robert Gottlieb, Mark Vallianatos, Regina M. Freer, and Peter Dreier, *The Next Los Angeles: The Struggle for a Livable City* (Berkeley, California: University of California Press, 2005).

Finally, there is another advantage coalitions at the regional level that is often overlooked. Many who have thought of regions as useful units for economic, environmental, and social planning have bemoaned the fact that, with a few exceptions such as Portland, Oregon, there are few governmental authorities at the metropolitan level. The main regulatory bodies are either air districts, that obtain their ultimate authority from the federal government, and regional associations of governments. The latter play a role in transportation planning, partly because of federal mandates, but have little capability to change patterns of housing or economic development and the governance structure, in which each city has a representative member, is problematic in terms of mirroring real power.

Thus, the regional leadership I have highlighted has to operate in a geographic space in which government is scarce but governance is needed – and this has led them to emphasize civic engagement and to develop new coalition building and boundary-crossing skills. That is, they are engaged in a series of repeated interactions in which their interest are realized not through capturing government structures but through face-to-face, race-to-race, and space-to-space bargaining over strategies to promote the economy, encourage affordable housing, etc.. Margaret Weir has caught the uniqueness of this level well when she identifies metropolitan coalition-building as relying on relationship-building, finding common interests, utilizing data, and operating at multiple governmental levels.³³ Regionalism, in short, is providing space for civic practice. And it may be leading to the slow and patient building of coalitions – across ethnic groups and between business, government, and labor – that can truly face the challenges facing California at both the state and local level.

While this sound like a bit of regionalist optimism, I should stress that it may be relevant even at a seemingly municipal level. Interestingly, the major planks that guided Villaraigosa's program in the 2005 election – grow smarter, grow safer, grow greener, grow together, and grow more civic-minded – emerged during from a year-long fellowship with the University of Southern California's Center for Sustainable Cities in which he co-facilitated a workshop on the future for metropolitan Los Angeles, that is, the region.³⁴ And many of his initial efforts – helping to settle a conflict with hotel employers and employees to avert a strike, assuming a seat on the Metropolitan Transit Authority, seeking mayoral influence over a school board that spans the city but also stretches into adjoining suburbs – have had a regionalist ring to them.³⁵

As we look to California's political future, coalitions at the local, regional, and state level are likely to become a topic of increasing importance and interest. To plot the road ahead, researchers will need to develop better theoretical frames to understand both how common

³³ Margaret Wier, "Metropolitan Coalition-Building Strategies." Paper prepared for the Urban Seminar Series on Children's Health and Safety, Harvard University, December 6-7, 2001, downloadable at <http://www.ksg.harvard.edu/urbanpoverty/Urban%20Seminars/December2001/weir.pdf> >

³⁴ William Fulton, Jennifer Wolch, Antonio Villaraigosa, and Susan Weaver, *After Sprawl: Action Plans For Metropolitan Los Angeles* (Los Angeles, California: University of Southern California, Center for Sustainable Cities, 2003), downloadable at http://urban.usc.edu/main_doc/downloads/urban_summary.pdf >

³⁵ So too did Villaraigosa's successful effort to capture support from all over the vast city of Los Angeles, an urban metropolis that, like New York, contains many areas that would normally be adjoining suburbs. For more on the latter, see Manuel Pastor, "Looking for Regionalism in All the Wrong Places: Demography, Geography and Community in Los Angeles County," *Urban Affairs Review*. vol. 36, no. 6 (July 2001) 747-782.

ground is developed and the scale at which it is most salient; political leaders will need to improve their skills at dialogue and engagement of diverse groups; and policy makers will need to find a new balance between addressing the needs of both investors and impoverished communities. It is a tall order for all parties, but it is an inescapable part of restoring the promise of the Golden State.



THE INSTITUTE OF URBAN AND REGIONAL DEVELOPMENT CONDUCTS COLLABORATIVE, INTERDISCIPLINARY RESEARCH AND PRACTICAL WORK THAT REVEALS THE DYNAMICS OF COMMUNITIES, CITIES, AND REGIONS AND INFORMS PUBLIC POLICY.

ROOTED IN THE SOCIAL SCIENCES, IURD'S WORK HAS STEADILY GAINED RECOGNITION SINCE ITS INCEPTION OVER 40 YEARS AGO. IURD HAS BECOME THE GATEWAY TO THE UNIVERSITY FOR THOSE CONCERNED WITH URBAN AND REGIONAL ISSUES—INFRASTRUCTURE, HOUSING, SPRAWL, TRANSPORTATION, ENVIRONMENTAL QUALITY, DISASTER RECOVERY, AND POVERTY AND PHYSICAL DECLINE IN INNER CITIES—AS WELL AS A HOME FOR SCHOLARS WHO INTEGRATE REAL-WORLD METROPOLITAN PROBLEM-SOLVING IN THEIR TEACHING AND RESEARCH.

AT THE VANGUARD OF LOCAL AND INTERNATIONAL METROPOLITAN DEVELOPMENT. IURD RESEARCHERS ADDRESS TIMELY CHALLENGES, EMPLOYING COOPERATIVE METHODS TO ENCOURAGE JOINT LEARNING, RECOGNIZE INTERDEPENDENCIES, AND UNDERSTAND THE BIG PICTURE. IURD'S *CENTER FOR GLOBAL METROPOLITAN STUDIES* WORKS TO ANALYZE THE IMPLICATIONS OF WORLDWIDE GROWTH AND CHANGE IN METROPOLITAN AREAS AND DEVELOP STRATEGIES TO BETTER MANAGE URBANIZATION PROCESSES AND OUTCOMES. IURD IS ALSO HOME TO THE PRESTIGIOUS *JOURNAL OF PLANNING EDUCATION AND RESEARCH*, PRESENTING CONTEMPORARY ISSUES IN PLANNING.

A PIONEER IN COMMUNITY PARTNERSHIPS. IURD'S COMMUNITY PARTNERSHIPS ARE POWERFUL CATALYSTS FOR SOCIAL AND ECONOMIC CHANGE. ITS *CENTER FOR COMMUNITY INNOVATION* SUPPORTS AND EXPANDS ENTREPRENEURIAL COMMUNITY PROBLEM-SOLVING THROUGH OUTREACH, TECHNICAL ASSISTANCE, AND RESEARCH THAT BUILDS UPON LOCAL BEST PRACTICES. IURD'S *CENTER FOR CITIES AND SCHOOLS* BRIDGES THE FIELDS OF EDUCATION AND URBAN POLICY, STRESSING HIGH-QUALITY EDUCATION AS AN ESSENTIAL COMPONENT OF COMMUNITY VITALITY AND PROMOTING UNDERSTANDING AND COLLABORATION AMONG EDUCATORS, POLICYMAKERS, AND COMMUNITY MEMBERS.