



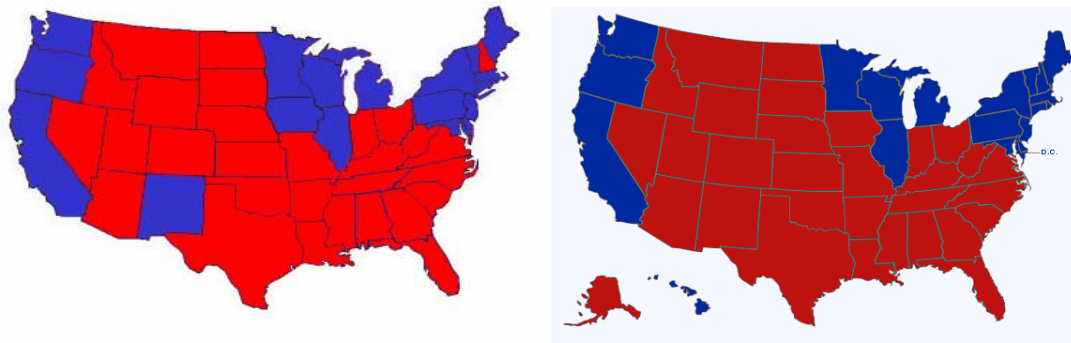
“Beyond Red and Blue: How the Tri-State Area Fares in the New National Context”

Keynote Speech Delivered at the Regional Plan Association
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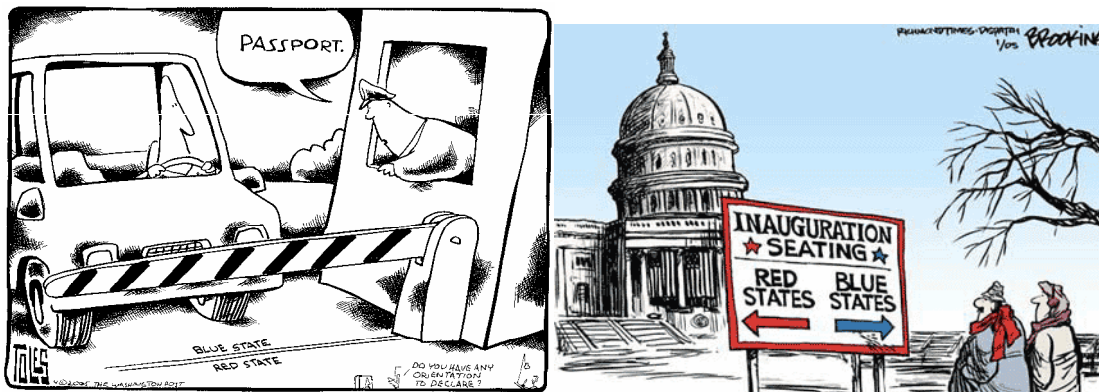
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Since the 2000 election, the political pundits of the nation have painted a picture of a 50/50 nation.

By now, we are all familiar with the maps made famous by network television and major newspapers.



They show a nation firmly divided between huge expanses of red territory—the South, the Heartland, the Intermountain West, the Sun Belt—and smaller areas of blue—New England, the Mid-Atlantic, the West Coast and the cosmopolitan Great Lakes.



A media addicted to conflict and controversy has used every opportunity to highlight these divisions.

What has been breathlessly purveyed is the notion that we are a nation deeply polarized by differences over values and culture and faith.



As one observer wrote,

The Year of our Lord 2000 was the year of the map. The election was Hollywood vs. Nashville, “Sex and the City” vs. “Touched by an Angel,” National Public Radio vs. talk radio, “Doonesbury” vs. “B.C.,” “Hotel California” vs. “Okie from Muskogee.” It was the New York Times vs. National Review Online, Dan Rather vs. Rush Limbaugh, Rosie O’Donnell vs. Dr. Laura, Barbara Streisand vs. Dr. James Dobson, the Supreme Court vs.—well, the Supreme Court.

Today, I would like to discuss the nature and extent of the political divide in the nation as well as how the Tri-State Area (a place many pundits would argue is the bluest of the blues) thinks about and acts in response to the national schism.

I will make three central arguments:

First, the truth of red-blue America is not as black and white as the pundits insist. The more we dig, the more we find that the country is not divided into two rigid camps of voters. In fact, the U.S. electorate remains mostly centrist and moderate in their political beliefs. But the political class, particularly at the federal level, *IS* deeply polarized, and that gives the appearance of a divided citizenry and electorate.

Second, this political divide occurs at a time of profound demographic and market changes in the United States. These changes require the nation and our national leaders to think differently about a wide range of issues: economic competitiveness, transportation and infrastructure policy, urban and metropolitan growth, racial and ethnic disparities.

Finally, the Tri-State Area needs to alter its modus operandi to address these twin patterns of political divide and economic restructuring. I will present a three part agenda to cope with and ultimately transform the current state of affairs.

What Colors Are We?

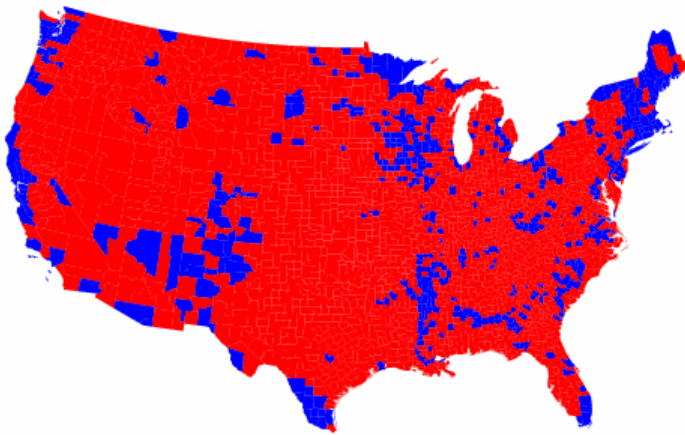
So let's start with whether the Red/Blue divide is as true as the punditry asserts. Can it really be that Tim Russert and Dan Rather and USA Today—and the Washington chattering class—are all wrong?

Well yes. Reams of analysis have been written since 2000 that provide a more nuanced view of the political landscape in the U.S.

These analyses essentially reach three kinds of conclusions.

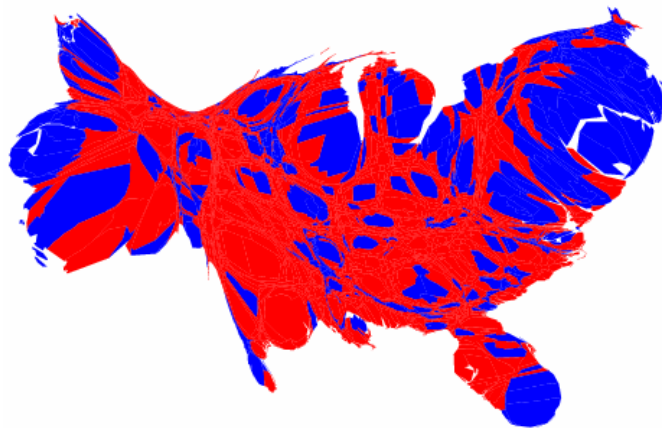
First, the maps used to chart electoral math in the 2000 and 2004 greatly simplify the divergence of political opinion and voter action within states and across the country.

States may be electoral blocs in the presidential election but they are not monolithic by any stretch.

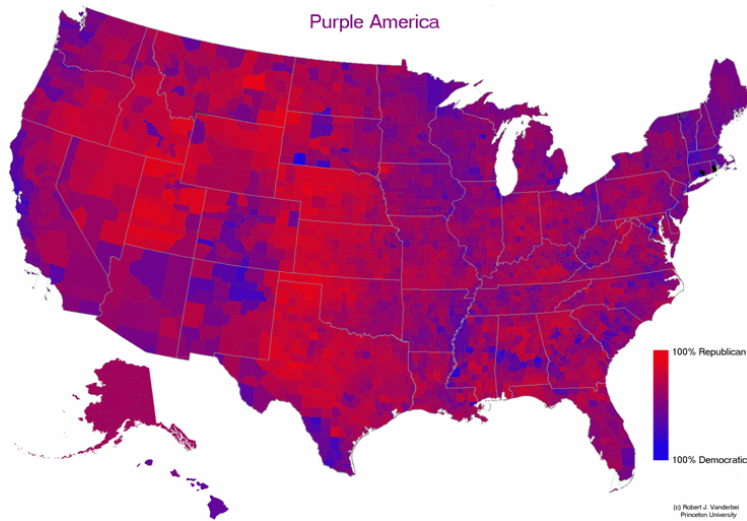


Thus, a more refined map was developed revealing election results on a county-by-county basis. This map, most famously used by USA Today, shows swaths of blue in the metropolitan areas of the South and pockets of Red in the non-metropolitan areas of the Northeast and Pacific Coast.

But even this more refined county map has been improved in several ways. A group of cartographers have adjusted the map for the relative population of counties recognizing that there is a whale of difference between a county of 1 million people and a county of 15,000. This map provides a more accurate depiction of how population centers voted but admittedly shows a country bent out of shape (perhaps in response to the heated rhetoric of the punditry).



A better approach tries to capture the varying levels of support within counties. The earlier state and county maps obviously suffer from the fact that the stark red and blue classifications do not differ between a place where one candidate won by a landslide and another where one candidate barely squeaked by.



Thus, Robert Vanderbei of Princeton has created a multi-colored map of red, purple and blue – with purple representing that were evenly split between Bush and Kerry.

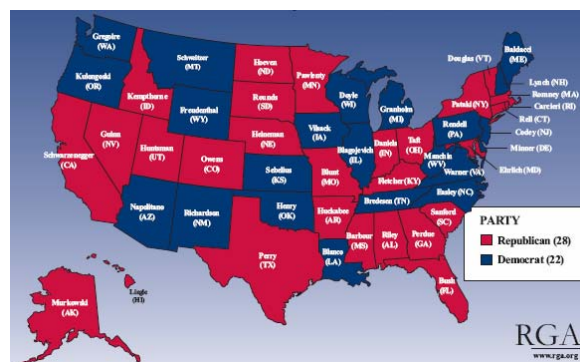
The resulting map undermines the conception of a sharply and inexorably divided nation, while giving a whole new meaning to Jimi Hendrix’s notion of Purple Haze.

Second, further analysis shows that designating states as red or blue based on the presidential election is not a reliable predictor of other indicators of progressive or conservative behavior.

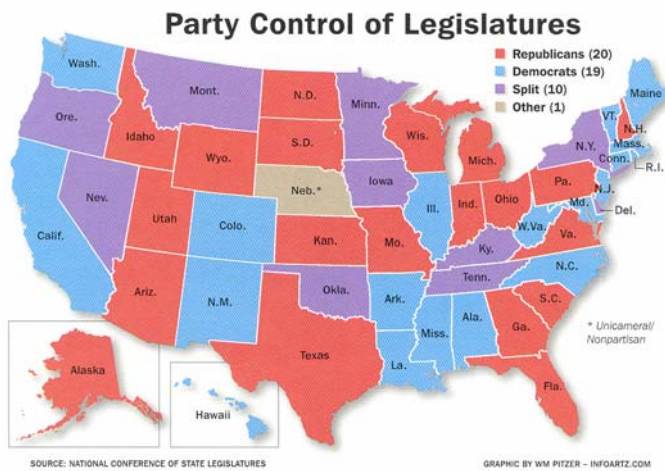
Presidential choices in a given state, for example, do not necessarily translate into same party control of the governor’s seat or state legislature.

California, Connecticut, Maryland, Massachusetts, Minnesota, New York and Vermont are about as blue as states can be on presidential elections. Yet each of those states has a Republican governor.

Similarly, Kansas, Montana, North Carolina, Oklahoma, Tennessee, Virginia, and Wyoming and are about as red as a state can be on presidential elections. Yet each of those states has a Democratic governor.



State legislatures follow a similar pattern.



New Hampshire, Michigan, Pennsylvania, and Wisconsin, each have legislatures controlled by Republicans despite being part of blue America.

At the same time, the following red states—Arkansas, Colorado, Louisiana, Mississippi, Montana, North Carolina, and West Virginia—all have Democratically controlled legislatures.

And even a cursory analysis of the past election shows that voters in red states are quite willing to support progressive causes while voters in blue states are not uniformly politically correct or predictable.

In 2004, for example, the state of Montana voted for George Bush by a margin of 59-39. During the same election, voters approved an initiative that raises the tobacco tax by \$1 a pack, with the revenues going to children's health care. This passed by a whopping 63 percent to 37 percent.

The state of Florida voted for George Bush by a margin of 52 to 47. During the same election, Florida voters overwhelmingly passed a referendum to raise the minimum wage, by a margin of 71 percent to 29 percent.

Almost the identical pattern occurred in Nevada. It voted for George Bush by a margin of 51-48 in the last election. At the same time, Nevada voters overwhelmingly passed a referendum to raise the minimum wage, by a margin of 68 percent to 32 percent.

Or take Colorado, which voted for George Bush by a margin of 52 to 47. During the same election, voters in the Denver metro overwhelmingly passed, by a 58 to 42 margin, a referendum to raise \$4.1 billion for a 118 mile light rail system. Significantly, counties that voted against John Kerry—Arapahoe, Broomfield, Douglas and Jefferson—all voted for the transit system.

Just as red states often buck conservative stereotypes, blue states don't always act true to progressive form.

In 2004, Oregon voted for John Kerry by a comfortable margin of 52 to 47. During the same election, voters approved by a measure, by a 60 to 40 margin, that requires government to compensate landowners for implementing smart growth land use. This measure has been a standing ambition of the property rights movement in Oregon and other states. Is Oregon anti-progressive?

Or take California. The state went easily to Kerry by a margin of 55 to 44. During the same election, voters overwhelmingly approved Prop 69 which requires the collection of DNA from people arrested for certain crimes, even those who are never charged with the crime.

The final nail in the red/blue coffin can be found in an excellent book authored by Morris Fiorina and some colleagues at Stanford University entitled: *Culture Wars? The Myth of a Polarized Nation*.

Using extensive polling results, Fiorina shows that Americans are as about as liberal or conservative as they were a generation ago and that the electorate in red and blue states do not differ that much on a range of issues.

Six in 10 voters in both red and blue states agree large companies wield too much power. Seven in 10 in each believe English should be the official language of the United States.

Likewise, majorities across all states favor stricter gun control and the death penalty, while support for women's equality is overwhelming and nearly identical in both zones.

Blue staters are almost as enthusiastic as red staters about abolishing the estate tax, giving government grants to religious groups or adopting school vouchers.

For that matter, majorities of voters across the mythical divide believe the government should ensure fair treatment of blacks in employment, though they also overwhelmingly oppose racial preferences in hiring.

Here's one more: Four in 10 people in both kingdoms put environmental considerations above job issues.

Perhaps most significantly, Fiorina's assessment of cultural issues contravenes conventional wisdom of a "culture war":

He finds, for example, a largely centrist population even when he focuses on attitudes towards abortion.

As for religion, he does find higher percentages of red state citizens who characterize themselves as either born again or as viewing religion as important in their life. But very similar proportions in both red and blue states think churches should stay out of politics and clergy should refrain from discussing candidates or issues from the pulpit.

There is, however, a clear discernible difference on homosexuality—as the nation discovered during last year's election—but even here, Fiorina finds a general movement towards increased acceptance of gays and lesbians.

So how do we reconcile these happy conclusions of a centrist and moderate citizenry with the reality of a political environment in Washington that is more bitter and poisonous and partisan than at any time in modern memory?

Fiorina's conclusions provide a persuasive answer:

The key to understanding [this inconsistency] lies in the growing polarization of the political class.... Their rhetoric, strategies, and behavior underlay the reality of national polarization, but it is elite polarization that is largely without the foundation of a polarized electorate. Even if they still are centrists, voters can choose only among the candidates who appear on the ballot and vote only on the basis of the issues that are debated.... The answer is that it is not voters who have polarized but the candidates they are asked to choose between.

All this rings true upon further reflection:

The Washington political class—the office holders, the candidates, the party apparatchiks and activists, the partisan think tanks, the special interests, the election consultants and pollsters and strategists—has grown in size and vitriolic behavior over the past several decades.

They are supported in their endeavors by a media that is generally agnostic politically but craves conflict.

They are egged on in their behavior by the imperative of fundraising that also demands confrontation.

The bad news is that this reality now permeates Washington and it is difficult to remember a time—not that long ago really—when members routinely worked with their colleagues across the aisle on issues of national significance.

The only good news, as described above, is that the poison has not entirely spread to states and localities where pragmatism and practicality rather than ideology are still respected and rewarded.

And what of the vast American citizenry? They “get” it. When pollsters ask citizens to define their own political philosophy, they invariably say centrist or moderate. But when pollsters ask them to characterize the Democratic Party, they overwhelmingly say “liberal”. By the same token, citizens overwhelmingly label the Republican Party as “conservative.”

One final quote from Fiorina says it all:

The bulk of the American citizenry is somewhat in the position of the unfortunate citizens of some third-world countries who try to stay out of the cross fire while Maoist guerillas and right wing death squads shoot at each other.

The Need for Unity

This convincing dissection and dismissal of the red/blue divide leads to my second point—the Washington political class is highly polarized at a critical time in our nation’s history—when the country is undergoing a period of profound demographic and market change that is comparable in scale and complexity to the latter part of the nineteenth century.

Everyone in this room can attest to the breathless pace of demographic change in this city and our nation.

- Our country is growing by leaps and bounds—33 million people in the past decade, 24 million in the decade before.
- Our growth is being fueled in part by a wave of immigration not experienced since the turn of the last century. 34 million of our residents are foreign born, 12 percent of the population, the highest share since 1930.
- Immigration is essential to offsetting another major demographic trend – the aging of our population. Like much of the industrialized West, the US population is growing older and living longer.
- And our family structure is changing. Women and men are delaying marriage, having fewer children, heading smaller households.

The pace of demographic change is matched only by the intensity of economic transformation.

- Globalization and technological innovation are reshaping and restructuring our economy and altering what Americans do and where they do it.
- These forces have accelerated the shift of our nation’s economy from the manufacture of goods to the conception, design, marketing, and delivery of goods, services, and ideas.
- These forces are changing the ways businesses manage their disparate operations and make location decisions—enabling large firms to locate headquarters in one city, research and design somewhere else, production facilities still somewhere else, and back-office functions—within or outside the firm—in still other places.
- For a region built on global finance, they are also changing the way we finance housing and business, through standardization and securitization in the capital markets.

These demographic and market forces have reset and rescrambled the rules of economic success in our country. Here are just 3 new rules to consider:

Rule Number One: What you know determines what you earn as a family and whether you prosper as a community. In our changing economy, higher and higher levels of education are the keys to prosperity for families and competitiveness for regions. A metro's income grows 1 percentage point for every 2 percentage point growth in adults with a bachelor's degree.

Rule Number Two: How you grow physically affects how you grow economically. Density and compact development matter in the knowledge economy, because they enhance innovation and contribute to labor productivity. Cities and urban places, in short, have a renewed economic function and purpose after years of decline.

Rule Number Three: How a region governs needs to reflect the new geography of work and opportunity—the metropolis. In a rapidly changing economy, regional cohesion and collaboration is no longer an oddity, something that only the Twin Cities or Portland, Oregon partake in. Rather, regional thinking and action is now a necessity for addressing a host of economic, environmental, and social challenges that cross antiquated political borders.

These rules sound simple and unconventional, but they require radical and revolutionary changes in how policymakers at all levels of government think about competitiveness and prosperity.

They require a firm, sustained, and robust commitment to higher education and workforce development and lifelong learning. America is going to need to get smarter, a lot smarter, if we are going to retain our competitive edge.

They require continuous investment in research and innovation and technology as the predicate for building a high-road economy.

They require a fundamental reevaluation of transportation and infrastructure policy. In a world where density and urbanity matters, mass transit and passenger rail and intelligent transportation systems and congestion pricing should be the norm, not the exception.

They demand new forms of governance—an overhaul of the inefficient and debilitating localism that characterizes so much of the Northeast and Midwest, an embrace of new forms of metropolitan or even mega-politan governance.

And they require a national commitment to reducing racial and ethnic disparities on education, income, assets, and wealth—because reducing these inequalities is not just the right thing to do, it is the competitive thing to do given broader demographic and labor market trends.

Where Do You Go From Here?

Well all that sounds fine. But how do we reconcile the new competitive challenges facing the nation and this region with that nasty political divide discussed at the beginning of the speech? The fact is that you can only take so much solace and comfort in the notion that the electorate and citizenry remain mostly centrist and moderate when the Washington political class, to paraphrase *“The Godfather,”* has “gone to the mattresses.”

Let me recommend a three-pronged strategy for your consideration.

First, the Tri-State Area needs to be at the heart of alliances designed to build a new competitive agenda for the nation.

Some of those alliances will come naturally to you—they occur at the level of natural regions that share connected economies and common natural resources—major interstates, passenger rail, watersheds, natural treasures like the Appalachian corridor.

The future of Amtrak, for example, throws together members from Washington, D.C. to Boston and is tailor-made for a bipartisan coalition based on constituency politics.

But I think these natural regional coalitions—as important as they are—only go so far.

The Tri-State Area needs to find its common ground with other regions of the country in way that confounds the popular perception of the political divide.

The demographic and market and development changes in the country actually create “new regions” of shared interest that can form the basis for new federal coalitions.

Look at immigration patterns, for example. The immigrant gateways of the past twenty years include traditional places like NY, Chicago and L.A. but also newer places like Charlotte and Atlanta and Houston and Phoenix.

Or take infrastructure needs, particularly the interest in mass transit. As the Denver example shows, the newer, fast growing cities of the Sun Belt are having the same kinds of discussions around cores and corridors that the New York metropolis had 80 years ago.

Or even take social policy. Our analysis of residential patterns of low-wage workers in the country show an incredible confluence between the densely populated cities of the Northeast and Midwest and rural areas in the South. Listening to the political class, one would never get the notion that the constituents of Mississippi have as high a stake in the policies that make work pay—the Earned Income Tax Credit, child care, and health care coverage—as residents of New York City, Newark, and Bridgeport.

Or take urban counties. Our calculations show that America only has 64 “older suburban” or “first suburban” counties—places like Nassau County in Long Island, Essex and Hudson Counties in New Jersey, Fairfield County in Connecticut. Incredibly, these 64 counties house over 52 million people and comprise nearly 20 percent of the American population. That means that close to 50 percent of the American population—a majority of our nation—lives in traditional central cities and five dozen or so urban counties. These places share a common agenda around infrastructure, social policy, and competitiveness writ large.

We need, in short, to break out of a geographically confining notion of shared interest and define a new national map of regions. This speaks to the reality of demographic and market change. It also will speak to the inherent centrism of the American electorate as discussed before.

As we go forward, however, we should not define the creation of new regional coalitions to the political class. We need instead to build rich and robust networks across regions of leaders from all the critical sectors: corporate, civic, and community. Large employers, key entrepreneurs, university and hospital presidents, foundation heads, faith-based leaders, union representatives, neighborhood activists, newspaper publishers.

In any sophisticated region in the country, these networks perform multiple roles. They often support objective research on trends and challenges in the metro area. They often use this analysis to develop and promote policy solutions. They place these ideas into broader circulation through public and private forums and convenings and through the popular media. They usually populate the institutions that form the infrastructure for change. All these roles essentially extend the political envelope—making it easier for elected leaders to take bold action on complicated issues.

Here is a thought experiment:

Imagine if the leadership networks in this region could relate in a sustained and regular way with the leadership networks in other critical regions of the U.S.

Now imagine further that the metros you relate to are not just the usual suspects – Chicago and Boston and San Francisco. All those look like New York in age and political culture and even industry structure, but they don’t buy you much at the national political level.

Imagine that you relate to the newer growth areas like the Dallas and Houston and Charlotte and Phoenix metros—in a series of structured, facilitated, staffed, resourced sessions.

I guarantee that what would emerge from those sessions is a clear understanding that what unites these metros in their competitive struggle—growth, immigration, congestion, outsourcing—is greater than what divides them.

America has long had sister city relationships in Europe and elsewhere. We now need to grow these relationships here at home as a long term strategy to bridge the divide not so much between states and metros but between the political leaders who represent these places.

My second piece of advice is that the Tri-State Area needs to rediscover the power of the states—acting alone and collaboratively across the borders.

Sometimes we forget in America that we are a union of states where substantial powers and responsibilities are constitutionally devolved to the states. Despite the occasional rhetoric, we are not a country administered by some distant bureaucracy of technocrats and experts. We are not France.

The states play a monumental role in shaping the competitiveness and development patterns of their regions.

They set the geography of governance—deciding how many units of local government there are and whether the borders of these local governments are fixed or subject to change through annexation.

They set the powers of local governance—deciding what combination of land use, zoning, planning, and other powers to devolve to whom.

They set the fiscal playing field for municipalities and school district—deciding whether it is level or unbalanced between rich and poor jurisdictions, cities and suburbs.

They shape the skeleton of regions through their investments in roads, transit, water, sewer, airports, ports, downtowns, public parks, and green space.

And they help shape the economies of regions through their investments in education, universities, economic development, health care and research, and through their regulation of multiple sectors and segments of the economy.

The fact is that, on many issues, the states matter more to the health and prosperity of metropolitan areas than the federal government does.

What does this mean for the Tri-State Area?

Well, it initially means that each of the states should get its own internal act together and create powerful alliances—rural/urban, downstate/upstate, city/exurb—dedicated to a new competitive future.

- Look what California is doing with funding for stem cell research.
- Look what Massachusetts is doing with development policy.

- Look what Pennsylvania is doing with brownfield remediation.
- Look what Michigan is doing with land banking and land reclamation.
- Look what North Carolina is doing with consumer protection.

But perhaps it also means new and enhanced commitments across state borders on an array of activities:

Imagine a regional, multi-state pool of capital that is dedicated to the preservation and modernization of the infrastructure—airports, ports, passenger rail, roads, bridges—that service this global metropolis.

Or a new regional, multi-state pool of capital that is dedicated to the remediation and reclamation of polluted land along shared waterfronts.

Or a new regional, multi-state pool of worker training funds to prepare workers for a knowledge economy that has no respect for political or administrative borders.

Where do the new funds come from? Perhaps from a regional armistice on tax abatements and other government subsidies used to lure companies and firms from one side of the region to the other?

I know this sounds fanciful—and controversial—but look to Europe where countries are collaborating across borders and making large, calculated bets on their competitive future. We can do no less.

Finally, the Tri-State Area needs to be a national advocate for, and exemplar of, political reform.

Our political system—at the federal and state level—is in desperate need of repair.

We need to restore competition to the election of congressional representatives and state legislators. The drawing of legislative districts today is mostly an exercise in incumbent protection, which makes primaries the central election for many offices, which reinforces the drive to extremes in our political class. Placing redistricting in the hands of nonpartisan appointed commissions would be a clear way of enhancing competition and drive elections and governance back to the center.

We need a firm, unwavering commitment to ethical behavior in all our officeholders, particularly those who hold the highest elected offices at the national level.

We need to put real resources into the modernization of our election system and our election machinery to make voting in the United States the most open and secure and accurate and accessible in the world.

We need to explore a range of ideas for increasing participation in the voting process. Fiorina mentions two: compulsory voting (which is practiced in countries like Italy and Greece) and exploring the alternatives made possible by the revolution in information technology.

In sum, we need to devote the same fervor and energy and sustained momentum to the cause of political reform as we did 100 years ago when political machines still ruled the great cities of our nation.

Conclusion

So let me conclude.

We cannot afford to allow the political schism that I have outlined here to be a permanent condition of our United States.

There is too much at stake in America—our competitive future, our national security, the health and welfare of our citizens—for our political class to be in a state of permanent war with itself.

And the good news is that it is not warranted by the inherent centrism and moderate views of our people.

Sixty years ago this month, one of the greatest Americans and greatest New Yorkers passed away.

FDR saw us successfully through the Depression.

He guided us brilliantly through the most horrific war in the history of the world.

And he bequeathed us a legacy of collective compassion and charismatic leadership that has not been rivaled since his death.

FDR was, of course, a fierce partisan and competitor. He relished a good political fight and took great pleasure in the outmaneuvering of his enemies.

But FDR also knew when to put political strife aside and how to forge and sustain consensus.

We need to rebuild that spirit in America and restore a sense of national unity.

Much will depend on our success.

Thank you.

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5. *Map of 2004 Election Results by County: Michael Gastner, Cosma Shalizi, and Mark Newman, 2004*
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