

# Smart Growth and Its Discontents: An examination of American and European Approaches To Local and Regional Sustainable Development

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Received: April 2009  
Accepted: February 2010

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## Abstract

Increasingly concepts of sustainable development are finding their way into local and regional development strategies. This is also true in the USA, though not through the Local Agenda 21 process, as is the case in much of the rest of the world. The approach to 'sustainable development' in the USA is a set of policy approaches collectively referred to as 'smart growth'. Smart growth is sometimes referred to as a uniquely 'American' variant of sustainable development. In contrast to Local Agenda 21, smart growth has captured the imagination of American policy makers, at all spatial scales. Smart growth is most attractive as a local and regional development strategy. In this paper I explore compare Local Agenda 21 and Smart Growth in the context of the USA and Europe using secondary data sources and analysis as well as a case study from Massachusetts, USA.

**Key words:** Sustainable development, local and regional scales, USA, Europe.

**Resum.** *El creixement intel·ligent i els seus crítics: Una avaluació de les estratègies europees i nord-americanes de desenvolupament sostenible local i regional*

El concepte del desenvolupament sostenible s'obre camí cada vegada més en les estratègies de desenvolupament local i regional. Aquesta tendència també succeeix als EUA, encara que en aquest país no pren el nom d'Agenda 21 Local, com és el cas en gran part de la resta del món. L'enfocament de «desenvolupament sostenible» als EUA es pot considerar com un conjunt de polítiques que, col·lectivament, es coneixen amb el nom de «creixement intel·ligent» (*smart growth*). El creixement intel·ligent es considera a vegades com una variant exclusivament «americana» de desenvolupament sostenible. Al contrari del que ha passat amb l'Agenda 21, aquest concepte de creixement intel·ligent ha aconseguit captar l'interès dels responsables polítics locals als EUA: En aquest article es compara l'Agenda 21 Local i creixement intel·ligent en el context dels EUA i Europa, utilitzant fonts secundàries de dades i anàlisi, així com un estudi de cas de Massachusetts, EUA.

**Paraules clau:** desenvolupament sostenible, escales local i regional, Estats Units d'Amèrica, Europa.

**Resumen.** *El crecimiento inteligente y sus críticos: Una evaluación de las estrategias europeas y norte-americanas de desarrollo sostenible local y regional*

El concepto del desarrollo sostenible se abre camino cada vez más en las estrategias de desarrollo local y regional. Esta tendencia también ocurre en EE.UU., aunque en este país no toma el nombre de Agenda 21 Local, como es el caso en gran parte del resto del mundo. EDI enfoque del desarrollo sostenible local en los EE.UU. puede considerarse como un conjunto de políticas que, colectivamente, se conocen con el nombre de «crecimiento inteligente» (*smart growth*). Así, el crecimiento inteligente se considera a veces como una variante exclusivamente americana de desarrollo sostenible. Al contrario de lo ocurrido con la Agenda 21, este concepto de crecimiento inteligente ha logrado captar el interés de los responsables políticos locales en los EE.UU.: En este artículo se compara la Agenda 21 Local y crecimiento inteligente en el contexto de los EE.UU. y Europa, utilizando fuentes secundarias de datos y análisis, así como un estudio de caso de Massachusetts, Estados Unidos.

**Palabras clave:** desarrollo sostenible, escalas local i regional, Estados Unidos de América, Europa.

**Résumé.** *La croissance intelligente et ses critiques: une évaluation des stratégies européennes et nord-américaines du développement durable local et régional*

Le concept de développement durable est utilisé de plus en plus dans les stratégies de développement local et régional. Cette tendance se trouve aussi aux États-Unis, bien que dans ce pays le nom de l'Agenda 21 local, commun dans une grande partie du monde, est remplacé par l'expression « Croissance intelligente ». Ainsi, la croissance intelligente est parfois considéré comme une variante exclusivement américaine du développement durable. Contrairement à ce qui s'est passé avec le programme Action 21 local, le concept de croissance intelligente a réussi à capter l'intérêt des politiciens locaux des États-Unis: Cet article compare le programme Action 21 local et le concept de croissance intelligente contexte des États-Unis et en Europe, en utilisant des sources secondaires de données et d'analyse ainsi que d'une étude de cas du Massachusetts, États-Unis.

**Mots clé:** développement durable, échelles local et régional, États-Unis d'Amérique, Europe.

### Summary

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## Introduction

This paper explores the broad geo-political differences between European approaches to local and regional sustainable development and those found in the United States. With a particular focus on Local Agenda 21 in Europe and Smart Growth, the US approximation of Local Agenda 21. This paper seeks to flesh out key differences in the role of actors, the state and the market and regional and local coordination. As the world seems to be undergoing an increasing shift to market-oriented regulatory approaches, this paper should serve as a cautionary statement for transforming state functions into market ones.

The paper begins with by juxtaposing urban/regional sustainable development approaches embodied in Local Agenda 21 (hereinafter LA 21) and Smart Growth. The purpose here is to draw out the inherent differences between the LA 21 approach and smart growth. Furthermore, it seeks to show that the evolution of LA 21 in the US and sustainable development in general has evolved in such a way that smart growth has become the vehicle through which sustainable development might occur in the United States of America. In the next section the paper describes smart growth, its history, goals and approach. The argument here is that in contrast to LA 21, the smart growth agenda appeals to a general economic development strategy pervasive in the US. This section also sets up smart growth's scalar linkages, between the urban and the regional. The penultimate section presents a case study from Massachusetts to help flesh out these ideas more fully. The final section presents some conclusions about the data and conceptual material presented.

Before commencing it is necessary to present a brief word on methodology. In trying to delineate the differences in LA 21 and smart growth the paper draws from of a broad variety of literature and analysis. The analysis is original, though some data comes from secondary sources. The cases studies were compiled through archival researches and interviews between 2006-2008. Personal interviews were conducted with policy makers at the state and local level as well as those in various growth coalitions. These interviews greatly enriched this analysis. The promise of anonymity requires that agency or organization be used rather than individual names.

## LA 21 and Sustainable Development —and the USA

Jacobs (1999) referred to sustainable development as a highly 'contested concept'. Its definitions are many, and can mean things to different groups in different places and scales. We are not interested in this debate. What is interesting is how sustainable development approaches get 'rolled-out' in different geo-political contexts. That is to say we are interested in the key processes, institutions and organizations taking responsibility for 'delivering' sustainable development, especially its local and regional forms. The LA 21 process, for example, relies upon certain norms for pursuing sustainable development

that are formalized by the state and key actors and organizations. This broad examination of sustainable development will help focus our analysis below.

Toward this end, this section begins with a discussion of LA 21 in general. Then, drawing on examples from Europe the paper highlights some of the larger contextual issues through which sustainable development has emerged. This is necessarily a cursory overview of local sustainable development in the European context. The objective here is to draw out three key themes: 1) the *process* of LA 21, 2) the scalar *coordination* of sustainable development, and 3) the norms established by the state for delivering sustainable development in Europe. The paper uses these categories to frame an argument about LA 21 in the US, especially regarding its failure to catch on. These concepts will then form the basis of the next section on the smart growth phenomenon.

### *Local Agenda 21 and Sustainable Development*

The Rio Conference distinguished itself from previous global 'environmental' conferences in that it proposed a *solution* to the problem of *unsustainable* development (in contrast to previous efforts cf. Chandler and Morse 1964; Solow 1974). Delegates to the Rio Conference recognized that the earth has a limited capacity to provide a continuous flow of resources and absorb the externalities of development<sup>1</sup>. The solution proposed is articulated in *Agenda 21*, and specifically LA 21. Chapter 28 codified LA 21 in that it recognized that local governments play a key role in bringing about sustainable development across scales. LA 21 principles emphasized that local authorities need to make considerable changes to their policy making approaches so they can incorporate the perspectives and views of a range of interests. Chapter 28 of Agenda 21 states:

Each local authority should enter into a dialogue with its citizens, local organizations and private enterprises and adopt a 'LA 21'. Through consultation and consensus building, local authorities would learn from citizens and from local, civic, community, business and industrial organizations and acquire the information needed for formulating the best strategies. The process of consultation would increase household awareness of sustainable development issues. Local authority programmes, policies, laws and regulations to achieve LA 21 objectives would be assessed and modified, based on local programmes adopted. (UNCED, 1992)

Key to LA 21 is a broad based, multi-stakeholder planning process focused on balancing economy, social equity and the environment. It was believed the success of LA 21 would also turn on the ability of a local authority to redirect its policies, laws and regulations to align with the principles that emerged from the planning efforts. By 1996, according to LA 21, cities were supposed to have engaged the public in a consultation process and achieved consensus around a

1. Indeed the original Earth Summit held in Stockholm in 1972 and Habitat I in Vancouver, Canada both addressed these issues.

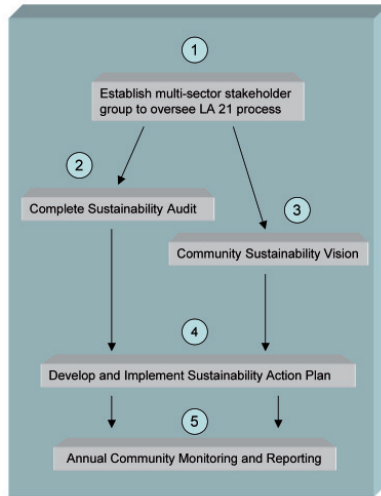


Figure 1. Local Agenda 21 Process. Source: ICLEI 2006.

local sustainability program. The process is quite simple (see Figure 1). And, as Beatley (2000) notes, by 1996, 1,119 communities in Europe had initiated LA 21 programs. A survey published in 2002 by ICLEI showed that some 6400 communities from 113 countries worldwide had become involved in LA 21 activities over the previous decade (ICLEI 2002). The popularity of LA 21 as a local and regional development strategy was again affirmed when 400 European Communities, representing 100 million Europeans from 36 countries, signed the Aalborg Charter in 1994. The Aalborg Charter, which was facilitated by ICLEI as part of their European Sustainable Cities and Towns Campaign, committed its signatories to develop local sustainability action plans in parallel with LA 21.

The *process* of LA 21 is critical for distinguishing it from smart growth. As will be discussed in more detail below, the commitment, even interest, in LA 21 around the US was minimal, only 22 cities in America have (or have had) LA 21 processes. Thus part of the argument for smart growth being an American variant of sustainable development rests on the rejection of the LA 21 process. As evidence that a process existed beyond the proscriptions found in Chapter 28, we now examine the influence of the international organization ICLEI on LA 21<sup>2</sup>.

Since 1992, ICLEI, has positioned itself as the standard bearer for implementing LA 21. Indeed, ICLEI hatched the LA 21 idea a year before the

2. ICLEI (formerly the International Council of Local Environmental Initiatives, now ICLEI—Local Governments for Sustainability) has acted in a consulting capacity to aid local authorities world-wide with their LA 21 activities.

1992 Rio Summit (Wheeler, 2004). The goal of ICLEI's LA 21 Campaign is to 'to build a worldwide movement of local governments and associations dedicated to achieving sustainable development through participatory, multi-stakeholder sustainable development planning and the implementation of resulting LA21 action plans' (ICLEI, 2006). In 1994, ICLEI organized the European Sustainable Cities and Towns Campaign, which led to the Aalborg Charter. Two years later steps for implementing the Aalborg Charter were drafted and ratified under the Lisbon Action Plan (Beatley, 2000). Since Lisbon, ICLEI has worked with hundreds of communities on their LA 21 plans and 'organized' thousands of communities. According to ICLEI over 2000 European communities have now signed onto the Aalborg Charter. In addition to their organizing efforts, ICLEI also provides technical assistance, research and evaluation and assistance in piloting new participatory approaches. The purpose here is not to trumpet the efforts of ICLEI, but to suggest that the Organization has a very high level of influence over LA 21 in Europe (where 5,000 of the 6,400 LA 21 initiatives exist worldwide)<sup>3</sup>. The influence, both formal (through Aalborg) and informal (through its consulting) suggests that the idea of multi-stakeholder planning exercises where the three legs of the sustainable development stool—economy, social equity and environment—could be agreed upon by many European cities, at least rhetorically, as both worthy goals and politically palatable. Moreover, the intention was to use the information from these processes to develop policies that captured the community's vision for itself. Finally, municipalities would develop policies to create norms in development that support these goals.

Another critical area to examine is how LA 21 agendas are supported by the functions of the state. Despite calls for fundamental change, it is not surprising that the adoption of LA 21 was not a total paradigm shift in Europe (or the US as described below). It emerged in the context of existing state functions and regulatory mechanisms. Typically, these occur along two axes, market oriented 'regulation' and state-based command and control. In Europe, state-based regulation remains a dominant force that influences development patterns and land use. This is to say that local authorities (and regional and national ones, too) have the capacity to clearly direct outcomes of urban development through performance standards and other forms of command and control regulation. The Dutch, for example, set minimum density standards at 33 units per hectare in an effort to promote compact cities with smaller ecological footprints. According to Beatley (2000, p. 33) there is a sense in The Netherlands, as in other places like Germany and Denmark, that the rural fringe of cities is not transitional and up for grabs for development. Thus, market forces in these countries *can* be closely regulated so they more appro-

3. For example, ICLEI may have signed up thousands of communities to the sustainability cause and consulted with hundreds on their planning efforts. However, this level of process participation does not suggest whether these communities are actually more sustainable or whether their development practices has indeed changed.

priately align with the dictates of the LA 21 process. Many local authorities in the US have moved away from these types of administrative functions towards what Harvey (1989) calls 'entrepreneurial' functions. In these cities command and control regulation, as well as other attendant 'Fordist' state functions, are viewed to hinder economic development because they create barriers for firms, businesses or developers seeking to locate within their borders.

Another context where European approaches works to affect LA 21 changes is at the regional scale. In contrast to the US, regional governance in Europe remains powerful. More importantly, there is often coordination and patterns between local, regional and national authorities. In Switzerland, municipalities must prepare their local plans in accordance with Canton-level 'Guiding Plans'. The Sustainable Development Framework for the Southeast of England, which is entitled 'A Better Quality of Life for the Southeast', was developed by the Regional Assembly in 2001 and has been undergoing development and implementation by the South East England Economic Development Authority (SEEDA) since (Taking Stock, 2001). Despite appealing to the language of market liberalization, 'the project sets out to help monitor policy decisions and actions to improve quality of life... and propose objectives, indicators and targets which all contain the themes of sustainable development' (Taking Stock, 2001, p. 11). Here, regional agencies have a broader vision and regulatory function to implement their vision. In contrast, as discussed below, US regional organizations are typically voluntary, non-state mandated or have no authority to implement their own recommendations.

The key point here is *not* to place European approaches to sustainable development on a pedestal. Indeed, the politics of sustainable development in the UK and Europe are as pernicious there as anywhere (Gibbs, 2002). The point is to draw out some important contrasts in the European (and UK) and US approaches to sustainable development. As stated at the outset, the commitment to LA 21, a broad base of regulatory functions (e.g., command and control regulation), coordination between regions and localities not only distinguishes difference, but provides an explanation for why LA 21 did not gain popularity and why smart growth has. The paper now examines the USA's engagement with the question of sustainable development and dovetail this discussion into the advent of smart growth.

### *A View from the USA*

The US is home to 22 of the some 6000 LA 21 initiatives worldwide (ICLEI, 2002) (See Table 2). These cities are spread throughout the country, with the largest cluster (N=13) occurring on the West Coast, some 5.7 million people of a total of 249 million. A few cities were caught in the momentum of LA 21 in the early 1990s, small 'left-leaning' cities like Santa Monica, California, Santa Cruz, California and Olympia, Washington. Other cities had different motivations. In his analysis of these 22 cities Lake (2000) suggests there are three key motivations behind LA 21 initiatives in America: 1) liveability/





Albuquerque, NM  
 Austin, TX  
 Berkeley, CA  
 Boston, MA  
 Boulder, CO  
 Burlington, VT  
 Chattanooga, TN  
 Grantsville, UT  
 Metro Dade County, FL  
 Mt. Washington Valley, NH  
 Olympia, WA  
 Pattonsburg, MO  
 Portland, OR  
 San Francisco, CA  
 San Jose, CA  
 Santa Cruz, CA  
 Santa Monica, CA  
 Seattle, WA  
 Sherwood, OR  
 Thomas Jefferson Regional  
 Planning District, VA  
 Tuscon, AZ  
 Wayne County, NY

Figure 2. Local Agenda 21 in the US. Source: LAKE (2000).

quality of life, 2) engaging private development to cushion negative spillover effects of development, and 3) the local state as an initiator of institutional change (Lake, 2000: pp. 86-87). Of these 22 initiatives only a single city, Burlington, Vermont, reported that the motivation for adopting LA 21 was to pursue a 'multifaceted' form of sustainable development (Lake, 2000). Other cities adopted the LA 21 approach in an effort to address tensions of rapid population growth (e.g., Olympia, Washington and Portland, Oregon), while still others sought to ignite stagnate economies (e.g., Boston, Massachusetts, Chattanooga, Tennessee). Still others focused their concerns on environmental quality and liveability (e.g., Berkeley and Santa Monica, California).

No matter what the motivation was for adopting a LA 21 approach in the 1990s, there is one common feature to the vast majority of these initiatives; they did not gain traction in the public sphere or in the formal political channels of the appropriate local authority department. Indeed, there are some exceptions. Some cities like Portland, Oregon, Santa Monica, California and Seattle, Washington have made strides to promote local and regional sustainable development. The City of Santa Monica, California, is a leader among US cities striving for environmental sustainability and its initiative is unique in that it is contained *within* the City Administration (Brugmann, 1997). The City's sustainable development plan, which focused on resource conservation, transportation, pollution prevention and public health protection, and community and economic development, was adopted by the City Council and has been a guiding policy document since (Portney, 2003). Sustainable Seattle, a non-profit entity that initiated that City's LA 21 efforts, held charrettes in which nearly 13,000 people in total participated. Despite the reported successes of these outliers LA 21 has failed to generate a broad level of support. Regardless of a few successes, the failure of LA 21 as a policy approach in the



US is undeniable. Beyond city and regional governments around the US, ICLEI's main US office itself renamed its LA 21-oriented activities several years ago to "Communities 21" (Quaid, 2003). Even with the name change, the Communities 21 process remains largely non-existent among policy makers. As one ICLEI staffer pointed out, "much of the effort is on the Cities for Climate Change Campaign, it has more traction with funders and the grass roots" (ICLEI 2006).

Since the mid to late 1990s other US cities and regions have pursued sustainable development agendas in various forms. Portney (2003) identified 24 cities that he states are 'taking sustainability seriously', albeit to varying degrees. Berke and Manta-Conroy (2000) in their study of what difference a sustainable plan makes in actual sustainable development policies sampled 30 US cities for their study. With Agyeman, I've identified 49 cities with sustainable development initiatives and plans. There is some duplication amongst these data and about 30 cities have sustainable development plans beyond those who began LA 21 processes. So what do 'sustainable development' policies in a US city look like?

Like the European cities and regions, US districts use 'off the shelf policy' mechanisms to promote sustainable development. Typically their focus is on brownfield redevelopment, cluster zoning (density zoning), zoning to delineate environmentally sensitive areas (such as ground water overlay districts), comprehensive plans that include environmental issues and solid waste recycling (see Portney, 2003). Some offer alternative energy programs and a few have bike paths. These themes certainly resonate with some of the European practices, especially those around creating compact cities. Not surprisingly, however, the sustainable development non-LA 21 initiatives take on a different form than their European counterparts. The US-based initiatives are informed by a different process and context for coordination and a different ensemble of state norms. It is here, through a brief exploration of these key differences, we can start to see the logic underneath the contours of sustainable development in the US.

Outside of the initial 22 cities mentioned above the *process* of LA 21 never gained traction in the US. Indeed, planning requires participation, and this has become the norm in the US (Kelley and Becker, 2000). Yet, the LA 21 process requires not only an effective process for participation, but integration between participation and the sustainability inventory and the visioning. This assumes (see Milestone 3 above) that new policies would be developed or old ones enhanced to account for the new scope that emerged from the public visioning sessions. While a number of cities have sustainability indicator projects, few are actually integrated into an action plan (Portney, 2003). Still fewer have comprehensive land use plans that cover the three dimensions of sustainability (Warner, 2002). Moreover, when one examines the types of policies that are in place to support sustainable development we see the 'economic' nature of their intent. For most cities, brownfields are about returning swaths of former industrial lands to the tax rolls, cluster zoning is about maximizing land

values, and eco-village, eco-industrial parks and green building standards remain largely absent from the inventory of policies in these cities (see also Gibbs *et al.*, 2005). Sustainable development may be more of a convenient after thought than a driving force, as the LA 21 process directs. But the local and regional commitment to the three domains of sustainable development could be called into question on either side of the pond. The real distinction between the US and Europe's LA 21 is in their different appeals to policy directives.

The policy approaches for promoting sustainable development also tell another story. In particular, the state's role in delivering sustainable development. Zoning, brownfield redevelopment, environmental overlays, and so forth are typically incentive driven rather than standard imposing. According to the American land use scholar Babcock (1964) the purpose of zoning is to first, preserve the single family home, and second to maximize property values without causing a corresponding decrease in the value of other property. The notion of wealth maximization is critical here. It exemplifies an institutionalized set of values dating back to Westward expansion 150 years ago, that land be developed for its highest use. So while cluster zoning may have the added benefit of preserving green space, the motivation behind it has its origins in economics. As Ratcliff (1961, p. 328), an acclaimed American real estate law professor once remarked, 'In the perfect market, natural zoning would result'. The point of zoning is to work out those *market* imperfections (e.g., nuisances, most appropriate land use) because the market is the institution that is ultimately capable of imposing social value on land, rather than the state. Hence, state imposed standards, such as those described in Denmark, run counter to the ideology of the market (and zoning as a policy mechanism) and thus may not be acceptable to many municipalities in the United States. The dominant regulatory mechanisms for land use in the US, then, are those that are market based or those embedded in market values. Even proponents of the compact cities, new urbanism and smart growth are pro-market. As one prominent new urbanist suggested, "If they want to live in sprawl, that's fine. We just don't want it subsidized" (Norquist, cited in Flint, 2006).

The American variant of sustainable development, should it actually exist, is distinct from its European counterparts. As we shall see below, Americans seem to be interested in various aspects of sustainable development, but as it relates to quality of life, sense of place and the 'triple-win', but not LA 21 and regulatory overhaul (i.e., bringing back command and control). There too remains a fundamental belief in the market and the freedom it alleges to bring. This is where smart growth comes in. It can handle these American sensibilities.

### Smart Growth: An American Variant of Sustainable Development?

The previous section the paper suggested that the US and Europe have approached sustainable development in different ways. The paper now turns

to an examination of the smart growth phenomenon in America to further flesh out these differences. What are the key policy mechanisms of smart growth? How do they differ from LA 21? Moreover, do smart growth's policy goals represent a move toward more local and regional sustainable development patterns? To examine the first two questions the paper examines smart growth's origins in Maryland and popularity around the US. It also examines it in terms of the three themes introduced above. In an effort to examine the third question the paper presents a case study from Massachusetts.

### *What is smart growth?*

According to the US Environmental Protection Agency (2006), '[S]mart growth is development that serves the economy, the community and the environment'. For Anderson (1998, 4), 'Smart growth recognizes the connections between development and quality of life. It leverages new growth to improve the community... It also preserves open space and many other environmental amenities.' To accomplish these tripartite goals smart growth policies tend to promote development that has the following characteristics: high-density development around public transport nodes, development that occurs in older suburbs and inner cities and mixed land uses (retail, commercial and residential). Other motivations for smart growth are related to the fiscal crisis of the local state, such as the cost of new infrastructure provision and maintenance not traditionally borne by developers (e.g., schools, sewerage and roads). Still others seek to impose state and regional vision into the local planning process (this was a key aspect of the Maryland approach and, for different reasons the Massachusetts smart growth approach).

Though this type of land development only adopted the moniker 'smart growth' a dozen or so years ago, the ideas behind 'smart growth' have a longer history. After the US federal government abdicated any substantial role in land use planning in the early 1970s some states embarked on their own planning reforms (Wheeler, 2004). Often referred to as the 'quiet revolution' states such as Hawaii, Vermont and Massachusetts (to name three), imposed specific growth controls on local development out of concern for protected areas. These changes were prompted by affordable housing issues (Massachusetts), loss of farmland (Vermont) and ecologically sensitive areas (Hawaii) and modeled after the command and control model being institutionalized for environmental policy at the national scale (DeGrove, 1984). Some states, like Florida and Vermont, required local plans to coordinate with regional and state planning goals and regional approval for large development permits. In the 1980s 'growth control' gave way to 'growth management' in a second wave of planning reform. Under these Reagan-era growth management regimes, command and control style regulation was supplanted by more rigorous cost-benefit analysis. Adequate Public Facilities Ordinances (APFOs) a new regulatory mechanism, for example, shifted the focus from explicitly stated environmental priorities and required local planning boards to con-

sider whether the pace of local development outpaced the ability of the local authority (based on planned capital expenditures) to provide adequate public infrastructure (e.g., roads, sewerage, schools). If the authority could not keep up, then a development could not move forward unless the developer was willing to fund the improvements (Knapp and Nelson 1992). Smart growth, the third wave of planning reform in the US, devolved the 'growth management' paradigm further by abandoning the use of regulations for securing environmental benefits or affordable housing to the use of incentives through 'Priority Funding Areas'. Maryland Governor Parris Glendening was the progenitor of this movement and his state's policy is often referred to as the paradigmatic smart growth example.

Until 1997, Maryland's planning policy looked much like the growth management policies mentioned above. The 'Economic Growth, Resource Protection and Planning Act of 1992' represents the second generation of planning reform discussed above. It required local comprehensive plans to be consistent with eight state visions of development. "The Growth Act identified four types of sensitive areas for special protection: streams and stream buffers, 100-year floodplains, habitats for endangered species and steep slopes. Nevertheless, it was left to local governments to draft plans and protect these and other sensitive areas' (Freece, 2004; 1). In 1994, Parris Glendening was elected governor of Maryland, and by 1997 the state's Smart Growth and Neighborhood Conservation Initiative passed the state legislature. "Glendening had become frustrated with the state's inability to influence a county government's decision to build a huge new mini-city in an old-growth forest on the banks of the Potomac River. Furthermore, Glendening was bothered by the inability of the state to intervene in a quaint eastern shore town's fight to stop the merchandizing giant, Wal-Mart, from killing the town's downtown businesses' (Freece, 2004; 2).

The new Smart Growth Initiative had three interrelated goals: 1) to save the state's most valuable natural resources, 2) to support existing communities and neighborhoods, and 3) save taxpayers millions in the unnecessary cost of building the infrastructure required to support sprawl<sup>4</sup>. The Smart Growth Initiative did this without proposing any new land use controls or management schemes. Indeed, the mechanism for promoting 'smart growth' was simple: the state would use its investment strategies as an incentive to direct local development in ways that were consistent with the goals of the Act. According to Freece (2004) this approach was based on Glendening's belief that state funding decisions could affect a developer's bottom line and therefore affect their decisions on where to build. This goal was accomplished primarily through the Priority Funding Areas (PFA) provisions of the law. The PFA was explicit about its development goals; no project existing outside a PFA would be eligible for state funding. In the US, states allocate hundreds of millions of dollars

4. Smart Growth and Neighborhood Revitalization Act, Maryland Laws 4335, Ch. 759 (1997).

per year to localities to support development projects. Under the 1997 law in Maryland state funds would no longer be made available to projects through the normal financial allocation approach, but would be required to be within a PFA. The idea, then, is that through financial incentives the state could redirect regional development away from green belts, agricultural land and other environmentally sensitive areas (e.g., riparian zones) through these incentives. Thus the smart growth approach drew upon existing concerns (e.g., environmental protection, affordable housing, etc) that had been codified through different policies in previous decades. However, rather than updating regulations or outlining specific management strategies the approach went for the economic approach, to affect the developer's bottom line business decision.

Other aspects of the Smart Growth Initiative drew upon existing policy initiatives to promote a more sustainable Maryland (though without the language of sustainable development). These included brownfield redevelopment and public transport programs. The brownfield provisions, for example, included clauses limiting a developer's financial liability for contamination on former industrial sites if they created mixed-use developments on them. In addition, the state provided low interest loans for the actual clean up. Similarly, the 'Live Near Your Work Program' provides cash incentives for people interested in living inside designated development areas.

Maryland was just the beginning for smart growth in the US. In contrast to LA 21, smart growth policies have proliferated in the US. In 2000, the American Planning Association reported that 533 state or local ballot initiatives focused on planning or smart growth issues (cited in Tregoning *et al.* 2002). In the subsequent election cycle voters in 24 states and nearly 200 communities approved 137 of 196 ballot measures raising \$1.7 billion dollars for open space and parks. Similarly, the Pew Center for Civic Journalism released a poll in 2000 that found people rank sprawl alongside crime as a top concern. Indeed, people's awareness of the concept of smart growth is also increasing. In 1996 it was a theme in fewer than 100 stories in American newspapers. By 2001, that number leapt to over 4600 smart growth related stories.<sup>5</sup> But there are other key differences between LA 21 and smart growth.

Smart growth responds to perceived land use problems in Maryland (or California or Massachusetts or Minnesota). Perhaps Professor Ratcliff (mentioned above) would agree that smart growth might be the market fix that produces 'natural' zoning. And herein lies the fundamental difference between smart growth and LA 21: smart growth fundamentally relies on the market to drive decisions that might promote sustainable development. LA 21 in contrast relies on the democratic process to produce a set of goals that are then supported by the power of the state, regardless of market forces. Hence, in contrast

5. Despite the amount of attention given to smart growth around the US, some commentators suggest it's talked about more than acted upon (DOWNS, 2005). Others are concerned that because it is so popular it means anything to anyone (YE, *et al.*, 2005). These same debates exist in Europe, too (GIBBS, 2002).

to LA 21, smart growth policies and directions do not emerge from multistakeholder participation processes, but from consumer tastes, fiscal constraint and growth coalitions of environmental advocacy groups, developers, local economic development authorities and affordable housing advocates. According to Ye et al (2005, 302), 'It is increasingly obvious that different environmental organizations, government agencies, and interest groups define smart growth in their own ways to achieve their particular missions and goals'. Indeed, Freece (2004) notes that there was very limited public input in the Maryland Smart Growth Initiative. 'The PFA Act failed to stipulate any process that local governments are required to follow as they establish PFAs for their jurisdictions' (Freece, 2004; 11). Smart growth is not grass roots driven, but a form of 'representative' development where interest groups shape development policies and their implementation. Another difference between smart growth and LA 21 is motivation. LA 21 resulted from a practical interest to set the world's localities on a more sustainable path. Smart growth, in contrast, was originally conceived as a policy measure to address a particular problem: suburban sprawl and the detritus that accompanies it (Downs, 2005). Sustainable development themes run through the sprawl problem: air pollution from auto centric communities, loss of open space and ecological services, affordable housing<sup>6</sup>. Ultimately, however, under the smart growth model it is the incentives that the states provides and subsequent market reactions that bring about more sustainable outcomes, not the collective deliberation of stakeholders.

It would indeed appear that the time has come for smart growth in the US. But how does this new paradigm for land use regulation and sustainable development work on the ground? What are the regional tensions, which seem to be unresolved? The paper will now explore these issues through a case study from Worcester, Massachusetts.

### Case Study: Growing Smart in Massachusetts?

In America, faith in the market is a deeply imbedded social more. For some, the market is an institution capable of promoting rational, amoral choices beyond the power of a few. As a policy promoting sustainable development, smart growth seems to fit with this way of thinking. The case study presented below seeks to flesh out further the key processes, institutions and organizations taking responsibility for 'delivering' sustainable development. Clearly, this represents a single case study, and generalization—in the US or the European cases—is problematic. However, the cases do capture common differences in the US and Europe as evidenced by the broader secondary data reviewed above. This section briefly examines local and regional influences governing smart growth in Worcester, Massachusetts.

6. Affordable housing here does not imply social housing, but housing for key workers who are pushed out of the housing market by skyrocketing property values in certain regions of the country.



Worcester, Massachusetts, is an industrial revolution-era boomtown. From the 1830s to the 1950s the city acted as a piston of the region's economic growth engine. The original impetus for the region's growth was the Blackstone Canal, which connected Worcester and the surrounding region to the Narragansett Bay in Rhode Island and the world of global trade. The canal was replaced by the railroad after 20 years, and Worcester's economic reach extended across the country to California and around the world. In and around the canal industrial area, the city's industries invented and fabricated barbed wire for America's western expansion and provided uniforms for Union troops during the Civil War. Like many industrial regions in the Western world, economic restructuring wrought havoc on the economy of the city and region, beginning in earnest in the 1950s when the economic benefits of World War Two waned in the region. In 1950, the city's population peaked at around 200,000. It was not until the 1990s that the city's population began to rise; first attracting immigrants from Latin America and the Caribbean, then knowledge workers from the Boston area in search of affordable housing. In 2006, for example, Worcester continues to be a cheaper place to live with the cost of a home averaging \$241,000, compared to Boston's \$468,000.

#### *Establishing Laissez-Faire Planning Norms in Worcester*

In its own way, planning activities in Worcester exemplify laissez-faire norms. In particular, the planning function of the city has migrated from the planning department to the city's economic development office, and to private interests in the community. For decades the planning department had been a fairly marginalized department within the City administrative structure. Throughout the 1980s and 90s the Office of Planning and Community Development (OPCD) became less of a city-wide planning entity and focused more on neighborhood development, especially for neighborhoods in transition. Which made sense because the funding the city received from the federal government came largely in the form of grants for communities in need. Increasingly, however, the way federal government grants began working meant that Community Development Corporations (CDCs), private non-profits, did most of the work on planning and neighborhood development while the city acted as a disseminator of funds to the half dozen CDCs. Eventually, OPCD personnel were absorbed by various city departments or moved to other positions outside the city administration (e.g., the economic development office, the Worcester Regional Development Authority). In 2003, remnants of the planning office were finally absorbed by the Office of Neighborhood Services, which then limited its focus to regulatory services, such as staffing the citizen-run planning board. When the city did engage in citywide planning or economic target zones in the downtown, as opposed to small-scale neighborhood planning, consultants did most of the work on behalf of the economic development office. The city thus eliminated or outsourced most of its planning responsibilities. This made room for groups such as the Worcester Sustainable Development



Initiative and Common Pathways (a healthy communities initiative) to try and fill the void. It also made room for developers to have their way with the city's impressive stock of industrial revolution era buildings and remaining developable open space.

At this same time this shift in the planning function took place, Worcester actively began to make itself more competitive regionally. The strategy here has been two-fold. First, the city has sought to attract business from the life sciences cluster, in Cambridge, Massachusetts and in the I-495 corridor, by leveraging local university resources and a local non-profit incubator the Massachusetts Biomedical Initiative. Second, following a study commissioned by the Office of Neighborhood Services that found Boston families are willing to move out West, the Report notes the rapid expansion of towns in the Worcester region compared to the city's own expansion, 15.9% and 4.9%, respectively. This data led the report's author to conclude that Worcester's housing stock does not provide enough higher end options for today's knowledge workers (RKG, 2002). The city's elites thus sought to create Worcester's 21<sup>st</sup> century identity through doing something that its predecessors would not consider - looking East for opportunity. So, with much fanfare the city administration is working to establish Worcester as a bedroom community to Boston by providing more housing opportunities for knowledge workers priced out of the Boston market. The Canal District, discussed further below, the 'CitySquare' mixed-use development project, which will raise a derelict downtown mall constructed a generation ago, are evidence of this strategy. In addition, the City is forever trying to increase the convenience of the commuter rail service to Boston. Besides recreating the landscape of the central business district by way of the City Square Project, the growth coalition is repositioning the city's large stock of industrial revolution-era buildings. These brownfields, some contaminated but many not, are the focus of many development strategies. Concomitant with this shift in strategy has been a *de facto* shift in where the planning functions of city occur. They are now a primary function of the City's increasingly professionalized economic development office, not the office of planning and regulatory affairs which has had its planning function interpreted more narrowly to regulate development, primarily housing, through the zoning ordinances.<sup>7</sup>

7. Despite having its responsibilities narrowly defined by the city administration, the office of planning and regulatory affairs has been a progressive force in the city's effort to make energy efficiency and renewables part of its new energy strategy. The department has worked closely with ICLEI and more cutting edge cities to revamp its zoning codes to allow for wind power. The planning office has also worked feverishly to preserve a key water resource by implementing for the first time a water protection overlay district.

*Regional Competition, Not Cooperation*

Despite the failure of city and regional groups to capitalize on the planning void during the late 1990s and at the turn of the century, groups with more focused interests did begin gaining traction. The efforts of one group, in particular, have captured the imagination of the city administration and many residents as well. Until recently, when the competitive city discourse was adopted by the new administration and council, the Blackstone Canal Task Force, a partnership of civic leaders, government officials, business leaders and developers and environmentalists, worked almost outside the city administration. Building off the idea that some second tier former industrial cities could capitalize on their historic pasts to promote investment opportunities (e.g., Chattanooga, Tennessee; Providence, Rhode Island; Manchester and Leeds, UK) the Task Force set as its goal to reposition the large stock of industrial revolution-era buildings in the Blackstone Canal area as a mixed use development (i.e., housing/retail opportunity) in support of regional sustainable development and competitiveness. Also contributing to the area's renaissance is the group's rhetorical deployment of a powerful discourse that fuses the competitive city-regionalism and livability discourses. The ideas of these discourses are typified by Richard Florida's work on the 'Creative Class'. For him, successful cities are ones that can attract investment by first attracting a select group of young workers, the nucleus of which is employed in "science and engineering, architecture and design, education, arts, music, and entertainment, [and] whose economic function is to create new ideas, new technology and/or new creative content" (Florida, 2004, p.8). He argues that to be attractive to this group, cities must, among other things, offer a specific lifestyle. As such, the group has leveraged the historical legacy of the place, the old factories as loft style apartments and unique retail spaces. Several factors converged to make this possible. First, in the mid-1990s the city of Worcester was included in the Blackstone Valley National Historic Corridor. Designed to commemorate the area's contribution to the American industrial revolution and bring much needed economic investment for tourism to the area, the inclusion in the corridor provided an entry point for the coalition to leverage the historic value of the Blackstone Canal, the terminus for which lies under a swathe of Worcester's existing street network. In Worcester, the redevelopment of the old Union Train station as a link to Boston and the addition of the City to the Blackstone National Historic Corridor (managed by the National Park Service) made it possible to reposition the area in four ways: 1) a focus on the rich historical significance and aesthetic that would appeal to knowledge worker, 2) its proximity to the regional rail service, 3) the creation of housing opportunities on previously developed spaces that might curtail Worcester's sprawling development pattern, 4) helping to position Worcester as *the* competitive housing and business choice for the expanding Boston region economy (cf. Krueger and Gibbs 2008). Indeed, for the Coalition, the purpose of the project is:

...to use the waterway as a catalyst for urban renaissance. It would give the area a thematic identity, making it distinctive and attractive both as a place of residence and a tourist destination, immediately adjacent to I-290. The continuing popularity of commuter rail, the successful tenancing of Union Station, the suitability of the existing close-grained building stock for both housing and commercial development, the completion of the Route 146 project into this sector of the city, and the immediate access to Route 290 at Kelley Square all position the area for economic take-off. Much of its building stock is already being renovated into loft apartments – a form of housing that was previously unknown in the city and which is attracting a new kind of urban resident. Existing deli owners, bar owners and restaurateurs along the canal route are all eager to take advantage of waterfront locations. (Blackstone Canal Task Force, 2006)

The Task Force and the growth coalition it represents have adopted the smart growth approach both in rhetoric and in process. The Free the Blackstone study states, for example: 'It [the Canal Project] will also serve as the armature of a new type of smart-growth, transit-oriented urban community with an identity that reaches out to the surrounding neighborhoods, institutions and the region. Worcester's Canal district can become the national model of a 21st century sustainable community' (Free the Blackstone, 2003, 2). In terms of policy it seeks direct state investment on the merits of the smart growth approach and it proposes incentives for private businesses and developers to make the most of the canal. As one Task Force Member proudly put it: 'It will be the Commonwealth's first smart growth effort, even predating the Romney administration' (Task Force a, 2004). At the outset it would seem the Blackstone Canal Project could bring the elusive triple-win goal to the area. Markets, however, are as fickle as the values of a growth coalition.

While the Blackstone Task Force has worked largely outside the city's administration, to their credit they have sought to engage the public in their vision for the project. However, the scope of negotiations has not been on a broader vision for the community that the canal would be part of, but of the particulars of the project going forward. As one canal task force member stated, 'this project is about creating the kind of community I'd want to live in' (Task Force b, 2003). The smart growth discourse provides both a connection to the region as well as a policy approach for realizing the vision. It also provides political cover and allows for a broader group of proponents to join the coalition. For the state, and the region, it contributes housing options for the coveted knowledge worker. The project does have environmental merits. The Canal District provides a mixed-use community, with residential and retail co-existing, and proximity to transit stations. It also uses existing infrastructure. As the Worcester region approaches build-out, under current zoning conditions at least, the use of developed space for housing and retail will take the strain off of environmentally threatened and significant areas.

Housing affordability is much more problematic. The Canal District comprises a former industrial district and a former dormitory neighborhood to the area's factories - Green Island. While most of the former factories remain vacant some are being turned into loft-style housing. Some light industry remains in the area as well as commercial retail. The neighborhood situated to the South of the industrial area is residence to 7,500 people who rank among the lowest income communities in the city (Krueger, 2007). The average per capita income in Worcester in 2004 was \$36,000 (BEA, 2006). In 1999, the average income of Green Island residents, which are was the existing residential area of the Canal District, was \$20,339 (Census, 2006). Not surprisingly, most people in these neighborhoods do not own their homes, some 65% of housing units occupied by renters. Because the market is determined by the needs of the knowledge worker, not the needs of the current low-income residents in the community, the future of the current residents is uncertain. As one consultant on the project stated when asked what would happen to those residents currently living in the area he stated, 'Infill development will take care of the affordable housing need. That will be worked out in the second phase of the project, when private investment really takes off' (Task Force c, 2003). This statement reflects trust in the market to compensate the losers of gentrification during the current wave of development. However, lofts in the area are currently selling for \$240,000 at the low end. Thus the people who need protection from the vagaries of the market are those who are left out of the process and remain outside the development vision embodied in this smart growth development.

### *The 'Process' of Smart Growth*

A key goal of the Worcester city administration, the key for local economic survival/regeneration, is to link to the broader regional economy, both in terms of housing and employment opportunities. In Worcester, much effort toward this end is focused on attracting knowledge workers (or the creative class) to town. For Florida (2002), the self anointed guru and spokesman for this elusive group, to attract or retain this emergent class, politicians and administrators must create multi-dimensional experiences, which include cafes, galleries and coffee shops, indigenous street culture, indeed they must create "real world experiences" (pg. 166). Viewing the process from another perspective, Peck (2005) states, the approach is framed "around interurban competition, gentrification, middle-class consumption, and place marketing" (pg. 2). Or, as Smith (1996) so clearly states, it is the inner city, where working class neighborhoods and factories once flourished that provide these real world experiences. Hence, art galleries and chic coffee shops become the stalwarts of neighborhood urban regeneration in America. And here is where a contradiction between the goals and mechanisms of the smart growth paradigm lies. Couched in the American dream of upward class mobility and freedom of choice in the market place, smart growth's market mechanisms leaves the stability and well-being of those affected by development to the vagaries of the market. Moreover, just because

environmental protection reflects a 'taste' of the current urban 'pioneer' does not mean it is protected in perpetuity. And, as was raised above, if the market supports sprawl, for progenitors of these policies, so be it. In Massachusetts, smart growth is about creating housing alternatives that meet consumer needs in a way that might alleviate the fiscal responsibility of local authorities. Finally, a core area of sustainable development is consumption. Smart growth does nothing to address it. In fact, one could argue that it creates venues for more efficient consumption. Indeed, it would be against the conventions of the market paradigm to require fair trade coffee to be sold in coffee shops or sweatshop free goods and the trendy local piece goods shop. This is not to say that LA 21 approaches require more, but they do create a venue, through the community visioning process, to vet these issues.

## Discussion

The Worcester case illustrates the differences between American Smart Growth approaches and governance to the LA 21 as described in Europe. Let me revisit the three themes I raised earlier in the paper: process, local and regional integration, and the role of the state. In this discussion section I will flesh out each of these themes in the Worcester context.

The *process* of smart growth is very different from that of LA 21. Where the LA 21 process, in theory at least, is a bottom-up, community driven, consensus-based approach, smart growth approaches in the US exist in the context of local governments in a state of demise, generally speaking. Housing and economic development in the US are competitive in nature because they respond to the demands of the market's "hidden hand," federal government block grants to cities, where funds "passed through" to Community Development Corporations for construction and neighborhood revitalization. This privatization of local state functions, which is arguably for the better in some cases, renders the local government in Worcester as one actor among many in the city governance. Moreover, because cities are in competition with one another for scarce public and private development resources those projects that promise the greatest benefits in terms of property taxes and other forms of local stimulus, are promoted by political boosters. In the case of Worcester, the Blackstone Canal Project proponents have garnered both resources and political capital to envisage their redevelopment goals for that neighborhood. But what of their process? The vision did not come from the community. The idea of "daylighting" the canal has been around for 30 years in the circles of Worcester elites. Indeed, much of the "process" in the Canal District has been getting buy-in from the current residents and businesses. While this has gone on for the past few years the transformation has already begun in earnest. The neighborhood has become a magnet for trendy restaurants and drinking establishments. Before the recent credit crunch it was also the location of loft development in the area's disused factory buildings. So much for the development of a collective vision from the bottom up.

This leads to the second theme: local/regional integration. In Massachusetts, there are no regional entities with formal political power. There are regional planning agencies, but these are weak and primarily serve the planning needs of communities through state contracts. Local and regional integration in Worcester is thus a willy-nilly process that is driven by the machinations of economic opportunity. The emergence of the Canal District exemplifies this. As stated previously, the “vision” for a raised canal has been around since the 1970s. However, the ability to deliver on this vision only recently emerged during the second Massachusetts Miracle economic boom, which occurred in the late-1990s and lasted nearly a decade. During this time, housing prices soared east of Worcester, thus making Worcester a desirable location for those looking for a house at a reasonable price. Thus, Worcester’s planning emerged out of economic opportunism, not integrated local and regional strategic planning.

Finally, how do the LA 21 norms and those of Smart Growth differ? The Smart Growth approach eschews direct government involvement in planning and development decisions. It seeks, as in the Maryland case, to direct what it considers good decisions through incentives. Yet, the market is often fickle. And, when dealing with the triple bottom line of sustainable development, it can be extremely fickle. “Rising tides raise all ships,” is an (in)famous quote attributed to the father of capitalism, Adam Smith. This notion has become naturalized in American approaches to economic development. It is naturalized, but not codified, however. The idea that winners should compensate losers has died an anonymous death in recent decades as wealth production has achieved pinnacle status among firms and governments. More troubling, however, is that it is naturalized in people too. Questions of redistribution or who is watching out for those who will be affected by *negative* externalities are rarely asked in the public discourse around economic development. Gentrification is a good thing? As a result (or maybe a result of) a rolled back state in the US, these questions are often overlooked. The state, in terms of local economic development, or sustainable development, has been reduced to a coordinating function for developers, not a regulatory or monitoring agent. Thus the battle over state-market relations has clearly gone to the market in this case.

The Worcester case illustrates the failure of smart growth as an approach for achieving local sustainable development. The case raises serious questions about the ability of smart growth to achieve the triple bottom line so sacred to sustainable development. Moreover, it suggested ‘market’ values are determined by coalitions of actors, perceptions of policy makers and a sometimes blind faith people have in the notion that rising tides raise all ships. Thus the market mechanisms of smart growth may simply provide a rhetorical cover that allows the sometimes competing domains of community stability, environmental protection and economic performance to be reconciled. In this case this is manifested through the provision of affordable housing, but captured not through direct intervention but through providing the right incentives. It was also revealed that smart growth does nothing to address consumption.



It thus remains to be seen, even doubtful, whether smart growth, on its own, can produce sustainable outcomes or even balance the tripartite concerns of sustainable development.

## Conclusion

The sustainable development discourse has a global reach, indeed. But the practice of rolling out sustainable development is not a straight-forward and unproblematic process. How sustainable development is “rolled out” is closely linked to how to ideas about the appropriateness of state intervention in the ‘free market’ and specific regional issues related to economic development. The efforts of local authorities in Europe to implement LA 21 and those in the US interested in smart growth exemplify these tensions. This paper has sought frame regional sustainable development through these very different policy approaches to highlight the problematic nature of delivering sustainable development and the unintended consequences of these policies.

As commentators have noted for some time, sustainable development has often focused on the environment while ignoring broader issues of social equity (Krueger and Savage 2007; Agyeman *et al.*, (2003); Haughton and Hunter (1994). This notion becomes even more challenging when politics, power and market forces are brought into the analytical equation. For example, it would appear that smart growth in Worcester is about increasing the quality of life for key workers in the region’s most competitive sectors. Certain living environments, that happen to overlap with the goals of sustainable development, are being recognized in the market. In terms of the environment this may be a watershed moment: for decades social scientists of various stripes have sought to generate ideas that might bring environmental protection (broadly conceived: ecological services as well as amenities) in line with free market economics. This seems to be happening, albeit somewhat obliquely, in Massachusetts. Yet, though we begin to approximate—that is we are now able, though with trepidation, to speak about how the economy and the environment are more closely aligned—our policies that support this seem to be compromising social equity in the process. Thus, if we take Ratcliff’s perspective, the market has responded, with mild state interventions, to create a zoning policy that optimizes the tastes of the market. This raises questions about the notion market based, or third wave, sustainable development.

Earlier in the paper a distinction is made between the LA 21 approach and the smart growth approach to local and regional sustainable development. Despite their popularity in rhetorical terms, both approaches have yet to produce sustainable impacts beyond a very select group of places (Beatley 2000; Downs 2005). The reasons for this could fill volumes. However, what it could suggest, in the US especially, is that the market does react to certain elements of sustainable development. The market is necessarily fickle, and this virtuous cycle of development ‘lite’ (such as it is) will not last. This implies two things: there remains a strong role for the state to mitigate the social costs



of development even when two-thirds of the sustainable development triumvirate are represented in the market, and 2) the dichotomy state intervention or the free market is a sterile belief. The Massachusetts and Maryland cases show that state intervention can promote the progressive power in the market when the political will is there. The problem is that the market does not seem to internalize all of the externalities, which in this case is the social equity piece. Moreover, the market is selective about which environmental aspects it chooses to respond to. For Europe (and America too), an important consideration emerging from this discussion is the changing market and the dynamics of state-market relations. Is there a post-Keynesian alternative to the reign of free market ideology (c.f. Hudson, 2003)? The Maryland and Massachusetts cases show how states can intervene, without setting performance standards and targets, those things that in the free market rhetoric stifle the market's power. The paper does not suggest European state's relinquish power—indeed the US needs to wield more benevolent power over the market. Perhaps a closer examination of how a strong state could harness market forces where appropriate would be in order. The process of rolling-out sustainable development is a necessarily complex one. The tensions represented by LA 21 and smart growth in the US illustrate the limitations of both approaches in these times. The challenge is to establish policies that are politically nimble and uncompromisingly equitable.

### Acknowledgements

I would like to thank the faculty and students in the Departament de Geografia and the Institute of Environmental Science and Technology at the Universitat Autònoma de Barcelona for providing a stimulating environment during my visit, especially Professor David Saurí-Pujol. I would also like to thank the anonymous reviewers for their helpful comments. Errors and omissions remain my fault, not theirs.

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