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COMMENTS ON "DECONCENTRATING THE INNER CITY  
POOR," BY MICHAEL SCHILL

EDWIN S. MILLS

This is a superb paper. It provides an excellent critical survey of a vast literature. It discusses a wide range of emotional and controversial issues in objective fashion. Its conclusions are not comforting or dramatic, but that fact reflects the world as it is and is likely to be.

I have never been much impressed with the "mismatch" hypothesis. Large numbers of jobs were created in many central cities in the 1980s. For example, employment located in the City of Chicago rose much faster than the number of workers resident in the City. Yet there were almost as many unemployed and underemployed City residents at the end of the 1980s as at the beginning. That could be because of mismatch, but it could also be because many of the low income City residents are simply not prepared, by family background, education or experience, to qualify for new jobs created in the 1980s. There is not much evidence that low paying jobs moved to the suburbs in the 1980s. To a large extent, they simply disappeared. Increasingly, the returns to human capital increased as the 1980s proceeded. The mismatch between job requirements and qualifications of inner city residents may be as bad in the suburbs as in the central cities. After about 1985, the 1980s were about a full employment period. In many metropolitan areas, employers were looking for qualified workers. In addition to under-qualified residents, another reason for the lack of jobs in low income neighborhoods was the street crime in low income neighborhoods. Employers and employees were frightened to be in such neighborhoods.

I believe that scholars are overly impressed by the social efficiency claims made on behalf of the Tiebout hypothesis. As a positive theory, it stands up well. I suspect strongly that any losses in the efficiency of local governments from reductions in their Tiebout-like organization would be more than made up by gains in the private sector. Not all suburban locations are equally good for residents and workplaces. U.S. suburbs are excessively segregated: too many exclude businesses, even shopping centers; and the homogeneity resulting from land use controls encourages excessive commutes to workplaces.

Dispersion of low income central city residents would have two advantages. First, it would permit low income residents to locate better rel-

ative to job locations, reducing their commuting costs. Second, I believe it would increase the willingness of both businesses and high income white suburbanites to locate in central cities. Not only would there be less concentration of low income and minority populations there, but also the high income white population would become convinced that there is no place to hide. These are all efficiency matters and are quite aside from the equity issues.

The difficulty is precisely the legal issues so thoroughly discussed by Schill. The autonomy of suburban jurisdictions is strongly established. Have no doubt, suburbanites will resist attempts to interfere with this autonomy, especially for the purpose of enabling more low income people to reside there. It would be absolutely crucial to lower barriers everywhere more or less at the same time, in order to prevent any communities from feeling that they were being overrun with large numbers of low income residents. The New Jersey story is instructive. The entire *Mount Laurel*<sup>1</sup> story was the doing of the New Jersey State Supreme Court. The legislature resisted the Court's pleas to legislate for a decade. Legislators were frightened to touch the subject. Only when they became convinced that the Court was going to carry out its mandate did the legislature act. When they did act, it was as much to undercut the Court's mandate as anything. The ultimate irony was the provision in the legislation allowing a community to transfer up to half of its court-mandated quota of low income people to another community by paying for better housing in the community to which the quota was sold. The price is set by supply and demand. Inevitably, the result is legally to keep many low income people in central cities, even though under the Court mandate they would have qualified for suburban housing. So much for the benefits of integrating the suburbs.

My judgment, heavily influenced by *Mount Laurel*, is that suburbs will fight politically, legally and perhaps physically to protect their autonomy.

The obvious legal solution is sweeping legislation, possibly imposing quotas on suburban communities, by sovereign state legislatures. It is politically inconceivable. State courts do not show many signs of wanting to follow the New Jersey Court down the *Mount Laurel* path. They are probably deterred by the beating imposed on the ears of the New Jersey Court for ten years by the articulate public.

Economists sometimes suggest bribing suburbs to accept low income

1. Southern Burlington County NAACP v. Township of Mount Laurel, 336 A.2d 713 (N.J.), appeal dismissed and cert. denied, 423 U.S. 808 (1975).

residents: a bounty for each additional low income resident over the number in the 1990 census. Who is going to pay the taxes for such bounties? The low income central city residents? They simply cannot afford it. The high income suburbanites? They are not so stupid as to fail to realize that they are paying with one hand and receiving with the other. There is no one else, except for non-metropolitan residents, who will certainly not pay to solve a problem for which they have no sympathy.

I believe that the future will see some low income and minority residents raising themselves by their bootstraps, improving their incomes through gradually better education and work histories. Many such people will be acceptable in many suburbs, as they have been increasingly during the last quarter century. It is a slow, painful and imperfect process, but I see no other scenario on the horizon. It will certainly have the advantage, whatever it is worth, that the people who make it from the ghetto to the suburbs will know that they made it on their merits and not because of government intervention.

