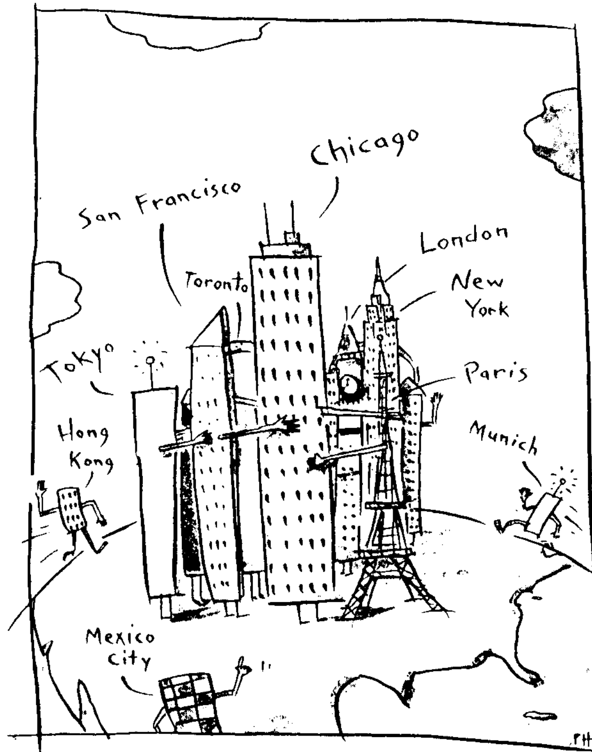
The new frontier

A peek at Chicago's post-industrial map
And, perhaps, a path that links the haves with the have-nots



by B.G. Yovovich

Illustrations by Peter Hannan

Forget the traditional maps, the kind that show Chicago planted in the heart of the North American land mass. Ours is an era of radical changes, of shifts in landscape so fundamental that maps describing sheer physical distance no longer are appropriate.

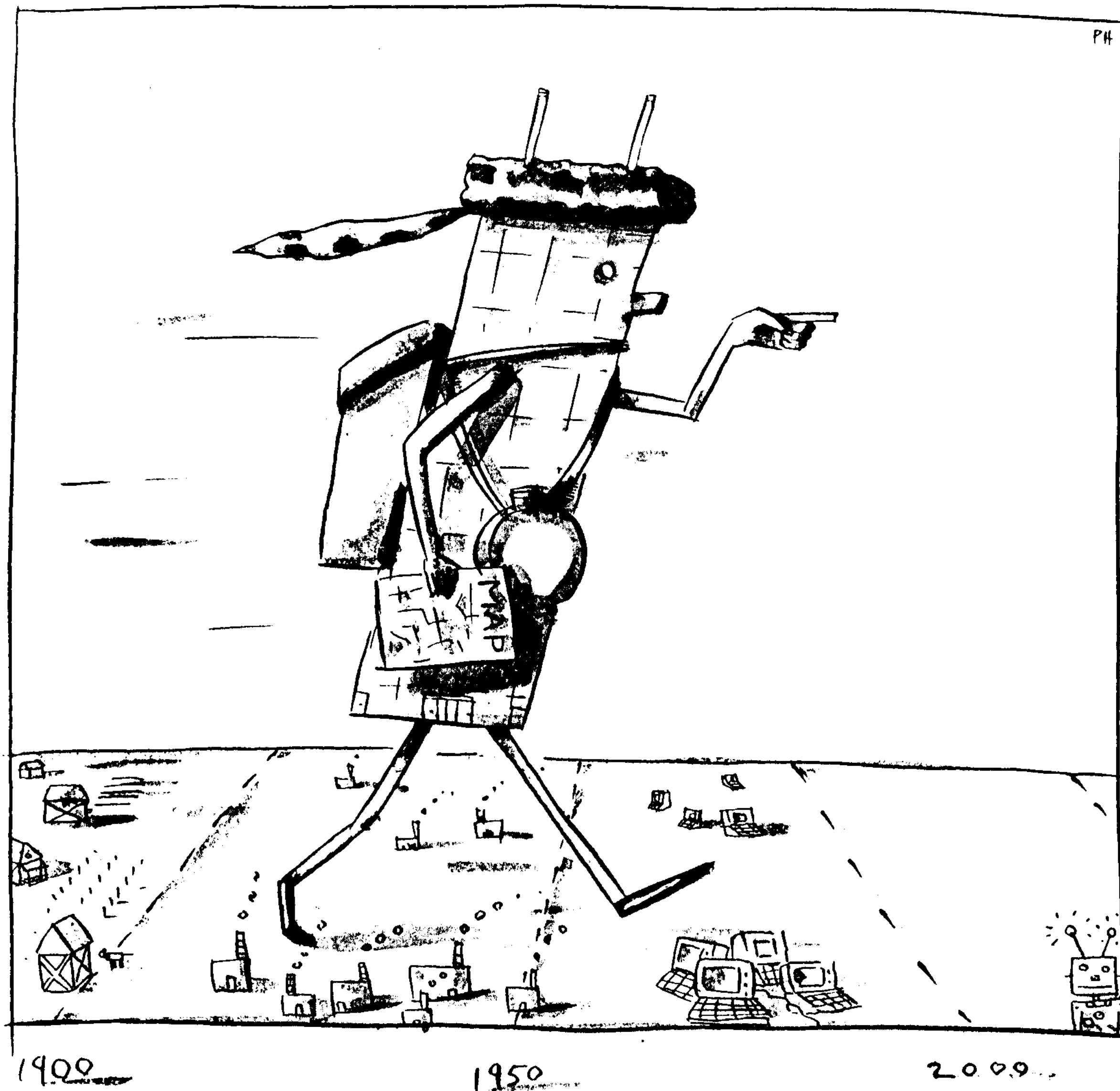
On the new maps, Chicago is not a city of the center—it is a border town, a frontier city, a port of entry for the 21st century. Imagine, for example, a map in which places are plotted according to how convenient it is to travel between two locations. Since there are four times as many non-stop airline flights between Chicago and Atlanta as there are between Chicago and Fort Wayne, Ind., this map says Chicago is "closer" to Atlanta than it is to Fort Wayne, even though the physical distance between Chicago and Atlanta is four times the distance between here and Fort Wayne. Indeed, because the quickest, most convenient way to fly from Fort Wayne to Atlanta is via Chicago, on this map Chicago sits between the two cities.

Corporations have at least implicitly used a version of this map when they choose Chicago as the base for their West Coast sales efforts: Convenient access can make Chicago "closer" to Seattle, Sacramento and San Diego than any other location. And since one can fly directly from O'Hare International Airport to 240 cities around the world, on the new map Chicago rests on the frontier of North America—"closer" to Tokyo than is San Diego, "closer" to Paris than is Portland, Maine—making Chicago a coastal city on *both* sides of the continent.

There are endless variations of this dance across Mercator's grave. Base a map on the scope of financial transactions, for instance, and Chicago, with its 80 percent share of the world's commodities market and its 200 domestic and foreign bank offices, would be a point where the globe's financial borders meet. Odd as such maps might seem, they underscore the profound ways in which Chicago's place in the world is changing. But even greater transformations await the city's social and economic spheres.

Some say the city is in the midst of being reinvented. In the same way the steam-powered railroad and the elevator made possible the development of the industrial metropolis (which in turn prompted dramatic changes in the business of going about one's life), today's technological advances are developing the post-industrial city.

So far, the most obvious impact of this reinvention has been the exposure of unskilled and semi-skilled American workers to competition from low-wage foreign workers. And, as advances in telecommunications and transportation intensify the globalization of the world economy,



what happened to textile and steel workers eventually will happen to office workers. Indeed, automated teller machines already are replacing bank clerks, and data-entry and computer-programming jobs are moving overseas. Whether an industry is high-tech or low-tech, no one can rest easy, because businesses everywhere are gaining more or less the same access to technology, particularly as work forces grow more capable and sophisticated. Even jobs that require judgment are likely to come under pressure as progress continues in the development of artificial intelligence and expert-systems technologies.

Of course, people can reap enormous profits from the technological and economic changes under way. Jobs that emphasize innovation, insight, creativity or other talents that are highly developed and difficult to automate—sometimes called "gold-collar jobs"—are benefiting from the increasing leverage made possible by the new technologies.

Gold-collar workers include not only top corporate executives, but the cream of the professionals involved in high-order services: architects, advertising and media experts, lawyers, financiers, entertainment figures and, of course, successful entrepreneurs. Professional athletes offer the clearest illustration. Television revenues make it possible for major league players to perform before millions of viewers and earn millions of dollars a year. Meanwhile, minor leaguers make barely one-hundredth that amount. Then there are the thousands of would-be players who never make it to the minor leagues. In most every industry, today's mass markets and modern technologies enable top performers to multiply and leverage their talents in ways never before possible—and at salaries that, when compared with those even one notch lower, are higher than ever before imaginable.

Translate such trends across the spectrum of the job market, and it becomes clear why income polarization is on the rise. The data strongly suggest there is structural unemployment in Chicago and other American cities, and that it is due to a mismatch between the job skills of the unemployed and the skills demanded by the available jobs. Our cities used to be the nation's engines of opportunity. If you had a strong back and were willing to work hard, jobs that provided entry into the growing economy were available. Today, there is a real danger that two city-based communities are emerging: one moving into the post-industrial economy of the 21st century; another sliding back into the poverty and violence of the 19th.

Yet it would be a mistake to succumb to despair. One

must remember that a century ago, as the transition to an industrial economy was under way and assembly-line manufacturing threatened the livelihoods of the era's craftsmen, Americans needed to overcome equally difficult challenges. The country developed the necessary responses through new social and political reforms and institutions. Our era's responses will be at least equally dramatic.

The nation's cities—particularly Chicago—played a central role in helping America make the transition from an agrarian to an industrial economy. Likewise, today's major urban centers must knit the social, political and economic infrastructure that can again connect our two separate communities. If this reconnection is to occur, two clear challenges must be addressed:

- How can we create an environment that either attracts gold-collar workers or helps them develop?
- How can we create vehicles that redistribute and recycle the gold-collar incomes throughout the other community?

Cities generally have good prospects for meeting the first challenge. Chicago has been exceptionally successful at it. The city's size and its broad-based manufacturing and service-sector activities provide both the scale and the fertile mix of opportunities gold-collar workers need. And our well developed cultural and recreational infrastructure plays an incalculable role in the equation. The national and international competition to attract future gold-collar workers will be keen, but there are many indications that Chicago is enviably positioned for the battle.

The second challenge is the tougher nut. Direct city efforts to redistribute income and the benefits of economic growth are almost certain to fail because gold-collar workers and the business sectors in which they concentrate are far more mobile than the large-scale manufacturing operations that characterized the industrial era. Give praise (or curses) to the advances in telecommunications and transportation for that fact. But also note that the very nature of these entrepreneurial and service activities tends to make it easier to pack the crates and move: As soon as gold-collar CEOs believe the costs of doing business in a community make it an undesirable place to work, they can easily transfer their employees and fax machines to a more amenable community.

It isn't difficult to envision how an excessively high tax on flight activity at O'Hare could encourage airlines to shift their operations to another hub. Efforts to tax transactions at Chicago's Board of Trade or Mercantile Exchange could easily cause a job shift to other exchanges in the United States, Asia or Europe. Similar traps are inherent in any local taxation scheme, making it likely that such efforts at direct government action will play a limited role in the development of the kind of income-distribution infrastructure that is needed.

Nor are development efforts that rely on self-contained shopping and entertainment centers likely to enjoy significant long-term success. Atlantic City's painful experience with casinos illustrates the difficulties. When New Jersey legalized gambling, the new casinos were expected to stimulate and revive the local economy. It never happened. The casinos have proven all too effective at keeping their customers inside the gambling complexes. In fact, they've been accused of killing off many neighboring food and retail businesses: The casinos, in essence, suck up even the customers who previously might have supported those long-standing enterprises. Similar complaints can be heard in Orlando, Florida, and other communities where locals initially thought a large, self-contained entertainment and retail complex would serve as the engine of economic development.

None of this is meant to suggest that municipal officials should abandon efforts to attract large development projects. Nor does the discussion on taxes mean we should stop fiddling with linked development. City government can play an important role by creating a set of subtle incentives and disincentives that will help ensure Chicago's economic development does not choke on its own success. But when it comes to extracting the benefits, government intervention will require a delicate touch, which makes the creation of a successful linked development program a complex and difficult undertaking.

That is why any long-term solution to the question of income redistribution depends on the development of a complex socioeconomic infrastructure that will provide Chicago's residents (especially its gold-collar workers) with ways to voluntarily spend their earnings and recirculate that spending through the rest of the city's economy.

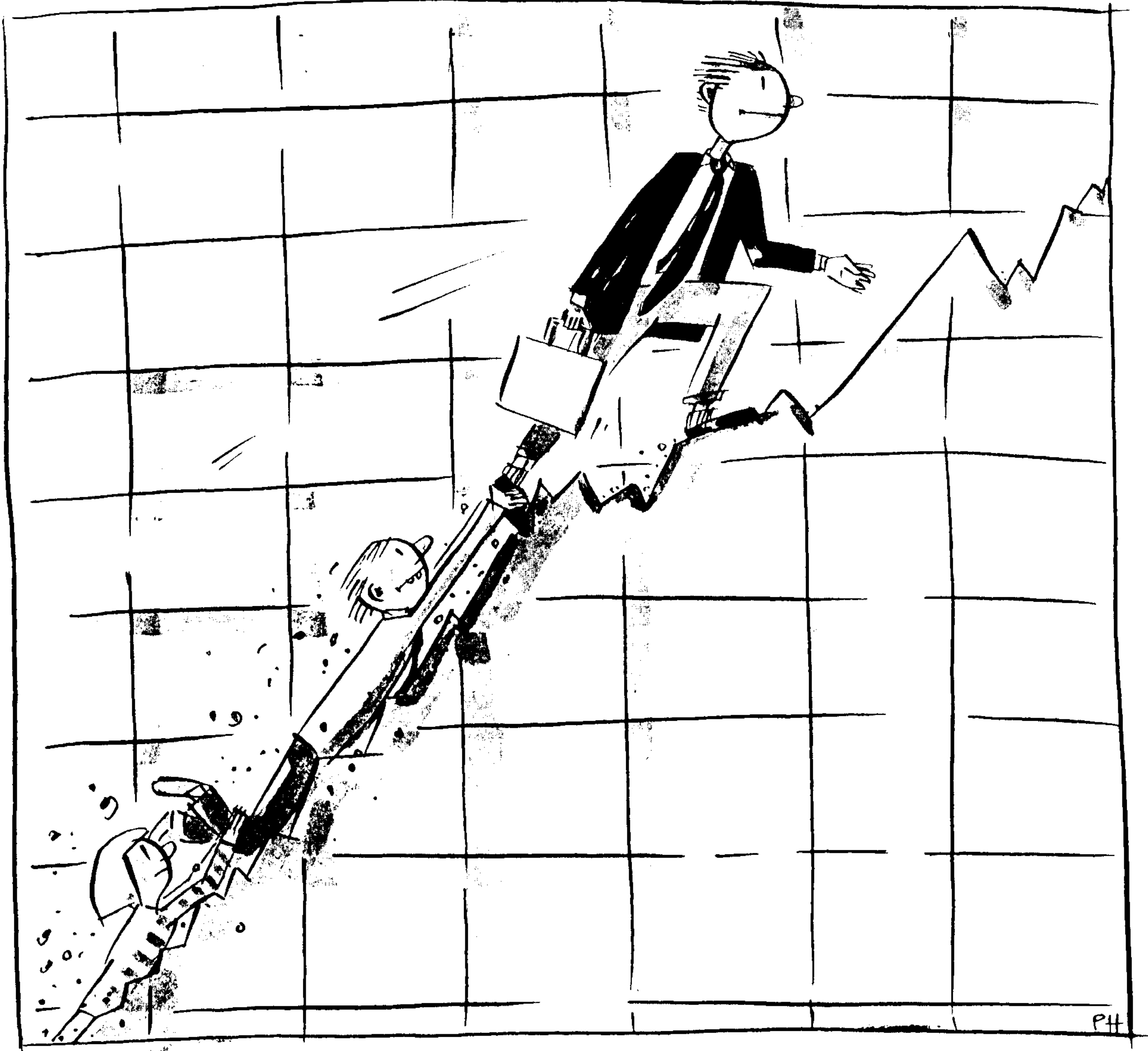
The first step toward the creation of such an infrastructure can be found in the explosive growth Chicago has experienced recently in personal services (child care, housekeeping, shopping); dining, theater and entertainment activities; and artisan-supplied goods and services. Such an economic infrastructure takes time to develop. Recent studies of the Manhattan employment boom, for example, suggest there may be a lag of three years or longer before the benefits from expansion of gold-collar activity reach a community's poorest sectors. Nonetheless, it appears to be the best hope for solving the income redistribution problem.

Meanwhile, we must promote development and expansion of the city's social and political infrastructure. Chicago must reassert itself as a place of opportunity by taking the steps that reaffirm this timeless promise: The city provides an environment in which each individual can explore his or her greatest potential.

On this score, Chicago has some significant advantages. For starters, our relatively flat geography tempers housing costs. This, in turn, makes Chicago one of the few metropolitan areas where it is still possible for a middle-level income to purchase a decent life. The access and mobility offered by the city's public transportation system and the region's highway networks also offer opportunities.

Of course, the biggest barrier to creating an environment of opportunity is the current state of the city's public schools. Every responsible citizen realizes the critical role public education plays in creating (or not creating) a capable work force. Less discussed is the role public education plays in maintaining Chicago's middle-income population. These people cannot afford to ship their children to private schools. Neither can they afford to keep them in today's public schools. As the rise of suburbia suggests, Americans vote with their feet, and Chicago must retain its middle class if it is to avoid further division into very rich and very poor.

There are hopeful signs here. Consider the state of com-



munications between the different parts of the Chicago community. It is undeniably better today than it has been in the past. From this perspective, the growth in neighborhood festivals and citywide activities suggests more than diversion or entertainment: It represents a visible manifestation of a new sense of community. Again, the city's gold-collar workers must feel a part of this community—a significant challenge because many (if not all) see themselves as part of a national or even an international community, not a local one.

Ties between the city's business community and the body politic also are improving. This is creating a sorely needed opportunity to open more channels of communication within Chicago's political arena. Such channels always are important to a community; they are essential at a time when complex political discussions arise. An infrastructure which can handle the inevitable disagreements that thrive during economic transition must be developed. With any luck, Council Wars and its accouterments were just a necessary part of a movement toward greater public participation in running the city. Today, the increasing number of policy issues gaining wide public discussion is an encouraging sign, a reflection of a growing interest in and sophistication about complex problems, including such disparate issues as home-equity insurance, the Harold Washington Library and planned manufacturing districts.

All these changes may suggest a reinvention of the city. They also can point to a re-emergence of the frontier Chicago of the 19th century. In June 1993, a century after the 1893 Columbian Exposition, Chicago will host what promises to be the largest gathering of architects ever assembled: the 18th world congress of the International Union of Architects, NEOCON 25 and the national convention of the American Institute of Architects. The congress' theme will be "City 2000," but its participants also will look backward to the Columbian Exposition and the examples it inspired among the cities of that era. The Chicago of the 19th and early 20th centuries played a leading role in the development of the industrial city. Perhaps these sessions will provide Chicago with a similar platform and help it emerge not only as the urban showcase of the 1990s, but as the city that will lead the way across the post-industrial frontier and into the 21st century.

B.G. Yovovich *is an Evanston writer. This article is adapted from his book,* Chicago: The Next Frontier, *to be released this month by Windsor Publishing Co.*