
Introduction

Princess Anne and Crisfield, Maryland, are both located in Somerset County, where the official motto is *Semper Eadem*—ever the same. And it is indeed surprising how little has changed there in the more than three hundred years that have passed since its founding.¹ When it was established in 1666, Somerset was the poorest county on Maryland's Eastern Shore. On the eve of the Civil War, it was one of the poorest in the state. The county spent virtually nothing for schools or for road maintenance then, nor did it make any public expenditures for the poor.² After the Civil War, an economic renaissance occurred that was stimulated by the coming of the railroad, new farming technologies, and an oystering boom that reached its peak in the 1880s and continued for several decades thereafter. The prosperity during that period was extraordinary; unfortunately, it did not last. Throughout most of the twentieth century, Somerset has experienced population loss and economic decline.

The Great Depression marked the beginning of a long and still continuing outmigration. By 1910, the county's population had peaked at 26,455, where it remained fairly stable until the 1930s. During that decade, numerous farms and businesses were lost.³ Between 1940 and 1980, while the rest of Maryland experienced the fastest population growth in its history, Somerset County alone declined in population.⁴ In 1990, it had about 21,000 residents, with 1,666 living in Princess Anne and 2,880 in Crisfield.⁵ By 1986, Somerset had fallen behind even the poorest Appalachian counties in western Maryland and thus became the poorest county in the state. There was no movie theatre, no department store, no public transportation. The average income was less than eight thousand dollars.

When I first ventured into Somerset County as a research assistant investigating the outcome of job generating activities there, I naturally assumed that in this poorest of all Maryland counties, the residents would

overwhelmingly favor growth.⁶ Moreover, because the study of small town and rural regimes had remained theoretically and empirically underdeveloped,⁷ the ideology of growth boosterism that was continuously promulgated by economic development officials and chambers of commerce had become the conventional wisdom by default, even among scholars. Derived from nineteenth-century neoclassical economic theory, the dominant view in the 1980s was that growth is conducive to a community's overall good. Promoting growth through top-down economic development strategies is politically popular too, because residents can see that their individual interests are tied to the level of commercial activity in their town.⁸ Elected officials were thus expected to pursue development for the sake of the public interest and to enhance their political standing as well. Persuaded by the simple, deductive logic of the market model, I too expected that the greater a community's economic distress, the greater the popular sentiment in favor of development activities would be.⁹ And indeed, survey data indicate that most Somerset County residents favor economic growth.¹⁰

Readers might therefore share my surprise that my interviews with individuals in Princess Anne and Crisfield revealed a deep, pervasive ambivalence about economic development. What was going on? Even more baffling was the fact that, while both towns were experiencing similar levels of economic distress, their development policies differed markedly from each other.

The theoretical impasse that I encountered in the course of that first research project was, in fact, entirely predictable, for Martin Staniland has shown that there is an intractable logical problem inherent in any explanation of development policy that is based upon general economic models.¹¹ The problem can be briefly stated as follows: If one assumes that people in different communities are more or less equally rational, then what can account for the variety of policy responses in communities experiencing similar levels of economic distress? The market model, by itself, is inadequate to explain this variation, because, although it tells us that individuals seek to maximize their utility, it fails to explain how individuals acquire one set of preferences instead of another.

There is a promising alternative to the market model, however, that is sometimes referred to as the "social embeddedness argument." As Mark Granovetter explains it, "Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead imbedded in concrete, ongoing systems of social relations."¹² My general aim in pur-

suing this research was to examine Somerset's two towns, which were experiencing similar levels of economic distress, and explain their different development policies in terms of the social embeddedness argument advanced by Granovetter and other scholars.¹³

I accept individual rationality as given. I assume that people are capable of being purposeful, deliberative, and prudent in their choices among the alternative courses of action available to them. The task, then, was not to determine whether decision makers in Princess Anne and Crisfield acted to maximize their individual interest, or the interest of their community as a whole, but rather to learn how historical events and the unique way of life in these places might have mediated policy responses to economic pressures by shaping the values of individuals and thus their perceptions of what their interests were.

But explaining preference formation cannot, by itself, provide a full understanding of economic development policy, because, even within a single community, policy preferences vary. Princess Anne and Crisfield both lacked a unifying vision of how best to respond to economic decline. A complete explanation of their different policies therefore also requires an analysis of the political processes by which some preferences were selected instead of others. Hence the research task was two-fold: It involved an analysis of how local history, social structures, and culture molded the policy preferences of individuals, and it also required an explanation of how these variables shaped policy decisions about economic development in the two towns.

I understand social structures to be sets of incentives and constraints that regulate behavior and are embodied in the patterned actions of individuals.¹⁴ A regime is such a structure, and the institution of slavery is another example. By defining opportunities and limits that guide, restrain, and inspire individual action, they inculcate a shared worldview that includes meanings, values, and expectations.

Social structures that are rooted in particular places tend to generate local culture. Because social structures exist in a dynamic and reciprocal relationship with the mindsets or cultures that they engender, this study treats culture and structure together, viewing them as closely-linked processes that continuously shape and perpetuate a community's way of life. It also assumes that social structures can be explained in terms of an interaction between the desirability of their consequences for different groups and the relative power of those groups.¹⁵ An analysis of local power relations was therefore essential to this inquiry, and urban regime theory provided the theoretical framework.

Chapter 2 presents the relevant theories in greater detail and explains the historical method that guided this research. Because the major theoretical position involves local regimes, it was necessary that the research be expansive enough to include the formation and maintenance of those regimes as well as decision processes directly related to development policy. While one may view the policy outputs of local governments as the product of economic, social, and political processes that characterize the prevailing regime, a particular regime may itself be viewed as the product of economic, social, and political processes occurring through time. A regime must be understood, then, as both cause and consequence of ongoing historical processes.¹⁶ Abrams explains this “two-sidedness” of the social world as “the ways in which, in time, actions become institutions and institutions are in turn changed by actions.”¹⁷ The crucial point is that the link between social structures and social action is the historical process.

Chapter 3 presents a three-hundred-year history of Somerset County’s adaptations to potentially restructuring events—that is, internal and external events that might have brought about a fundamental restructuring of the social order.¹⁸ When I first conceived this portion of the research, I intended for the broad historical chapter to serve as mere prologue to the heart of the research project—the twin case studies of Princess Anne and Crisfield. But now I judge it to be on a par with these chapters and perhaps even the centerpiece. It returns to the first inhabitants of the county and the entire Chesapeake region and shows how their economic, political, and social history is related to the prevailing way of life in Princess Anne and Crisfield in the recent era, still shaping political and economic decisions and outcomes for the future. It reveals who was most invested in and who was least attached to these historical institutions and reports the buildup of pressures that threatened to undermine their foundations. The almost unvarying pattern of resistance to change that unfolds over a three-hundred-year period is itself as powerful a testimony to the central thesis of this book as anything that follows it.

But the social structure of Somerset County was complex, and there were opposing tendencies in its two sectors. Chapters 4 and 5 present case studies of Princess Anne and Crisfield during the five years between 1986 and 1991, when both communities were in the throes of serious economic decline and active efforts to respond were taking shape. They demonstrate in close detail how the way of life in the two towns varied and how this led to a marked variance in their responses to economic pressures. Chapter 4 relates how Princess Anne, the commercial center for the county’s agricultural industry, first succumbed to a land-based growth machine

and then overthrew it, only to have it re-establish its control of the town government within six months. Chapter 5 details how Crisfield controlled growth in order to protect its fragile seafood industry, the traditional way of life that was based upon it, and the subsistence requirements of the poor population. It thus adds a new category to existing American political typologies by describing what I have called a “subsistence regime.”

Chapter 6 presents the analysis and the conclusion. By explaining why two towns in the same county responded in such different ways to economic decline, this work empirically demonstrates a theoretical principle of broad significance. Because specific types of economies support certain ways of life and not others, major economic change threatens to upset established power relations, degrade cultural values, and disrupt fragile subsistence arrangements, to mention only a few of its sociocultural impacts. Goulet says that “development is necessary, because all societies must come to terms with new aspirations and irresistible social forces,” and there are few students of American government who would disagree with this statement.¹⁹ “Yet the choices they face are cruel,” he continues, “because development’s benefits are obtained only at a great price, and because, on balance, it is far from certain that development’s benefits make men happier or freer.”²⁰ It is this second statement that commands our attention, because it jolts whatever complacent assumptions one might harbor that economic development’s impacts are always, or for the most part, benign.

Economic development acts like a giant asphalt paving machine that tears up the old road in the process of building the new.²¹ Contrary to some ideologies of the political Left, it is not the bourgeoisie alone that benefits from existing economic arrangements (although one might argue that it profits the most). These case studies demonstrate that different elements in Somerset County were attached to different aspects of the traditional way of life there, and individuals from virtually all walks of life worried about potential impacts of development projects that threatened to introduce far reaching social change. All were participants in a shared way of life that they continued to cling to.

Contrary to some ideologies of the political Right that view values as deriving from economic interests, these case studies show that the marketplace justifications that were offered for proposed development projects did not represent the operative value systems of many of the people who would directly experience their impacts. This explains why, despite survey data that indicate widespread local support for the idea of economic growth, top down development projects encountered sustained

opposition. Typically, they were conceived in secret and implementation was attempted with little regard for their impacts on the social structure or the nonmaterial values of local residents. Just as important, individuals construed even their economic interests within a context of ongoing social and economic arrangements, therefore, projects that were promoted as “developmental” but threatened to upset these arrangements were viewed by various groups as potentially harmful to their economic interests too.

To recognize that there was a nearly universal commitment to a shared way of life in Somerset County is not to minimize the importance of ideological divisions and deep racial and social-class tensions that characterized this community. Some elements in the county felt that existing arrangements afforded them precious few benefits and thoroughgoing economic development would be advantageous for them individually and for their community. Some members of the black community were of this opinion, and so were some governing elites and working-class whites. But whether or not their policy preferences prevailed largely depended upon their place in the social order.

In Princess Anne, for example, where the traditional “courthouse elites” could no longer sustain themselves in a declining agricultural economy and thus became willing to accept economic change, development was placed high on the agenda. But when policy preferences of subordinate groups conflicted with those of more powerful elements in the towns and county, their concerns tended not to be given a hearing. For this reason, and because these cases demonstrate that preferences are not autonomous or “given,” but are instead shaped by the unique set of opportunities and constraints that individuals encounter in the concrete circumstances of their lives, it is clear that the structural and cultural features of a particular community can be more powerful mediators of economic development policy than many sociologists, political scientists and economists have supposed. The considerable policy implications of this are discussed in the last chapter.

One might object, of course, that Princess Anne and Crisfield are small *Gemeinschaft* communities and their experience may differ from that of large cities. Without question, there are important differences between human settlements of different sizes, and to argue otherwise would be foolish. But the urban-rural dichotomy that views traditional social relations as the exclusive preserve of small towns and rural communities is seriously misleading, and to continue to cling to it is to ignore a vast reservoir of empirical evidence to the contrary. This point will be taken up again in the next chapter.

Finally, local communities and the regimes that arise out of them powerfully shape economic opportunities and constraints for different groups according to the place of those groups in the social order. Therefore, community and state should not be viewed as existing apart from or in opposition to the market, for they are integral to it. Whether in rural areas in the Third World, the new “global cities,” or small towns on the Eastern Shore, all economies are enmeshed in the political, social, and moral life of particular places. Based on this understanding, the chapters that follow present an empirical argument that economic change can have far-reaching political and sociocultural impacts. Therefore, economic decline and development alike should be viewed as instigating events. And because the policy responses of local regimes are also embedded in historically given systems of social relations, the values that regimes seek to advance and protect by the economic policies they pursue may include, but are not necessarily dominated by, profit motives. Indeed, the case studies presented here show that economic development stances and individual action were frequently prompted by other, less instrumental values that superceded egoistic profit maximization, because, among other things, community mattered.