

The Configuration of Local Economic Power and Civic Participation in the Global Economy

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Abstract

In this paper we test the hypothesis that local economic concentration is associated with decreased levels of civic participation. We define economic concentration as a social context in which a small number of corporate establishments or industries dominate a local economy. We argue that economic concentration leads to a monolithic power structure and generates civic apathy because the needs of the corporation override those of the local population. To test this hypothesis, we employ combined data from the 2000 Social Capital Benchmark Survey and the County Business Patterns. Our findings indicate that local economic concentration is negatively associated with traditional electoral participation and protest activities. We conclude by discussing implications for current theoretical work on civic community, embedded within the empirical decline in U.S. civic engagement over the past three decades.

Introduction

Sociologists have increasingly turned to civil society perspectives to understand the well-being of U.S. communities within the context of a global economy (Lyson, Torres and Welsh 2001; Tolbert, Irwin, Lyson and Nucci 2002; Tolbert, Lyson and Irwin 1998; Young and Lyson 1993). These scholars argue that global patterns of production and consumption have weakened the role of the nation-state as a mediating factor between multinational corporations and the communities in which they operate. An important consequence of globalization is that civic participation becomes a central problem-solving mechanism for maintaining civic welfare. According to this perspective, communities endowed with high levels of civic participation are better positioned to respond to the needs of local residents.

During the same period in which U.S. communities have attempted to adjust to the changes brought about by globalization, studies point to a somewhat ironic decline in civic participation among U.S. residents (Putnam 2000). Although this line of inquiry has been hotly contested (Monti 1999; Paxton 1999), statistics on civic participation from 1974-1994 point to an increase in the number of "civic dropouts" in U.S. communities (Putnam 2000). Whether measured as membership in voluntary associations, newspaper readership, voting or signing petitions, residents are less engaged in their local communities today than in the past.

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Despite attempts to independently address both of these issues, researchers have overlooked a key concept for understanding the interrelationship between local economic structures and civic participation. More than 50 years ago, Floyd Hunter (1953), Irving Fowler (1954), and C. Wright Mills and Melville Ulmer (1946) made distinctive contributions to a line of sociological research on economic power and civic welfare. The influence of the local business structure on civic well-being once occupied a prominent position in the sociological literature. In the years immediately following World War II, sociologists focused on understanding how the new mass production economy, characterized by large, corporately controlled manufacturing plants, affected social and economic conditions across U.S. communities. For these researchers the dynamic transition from small-scale to large-scale production in both industrial and agricultural sectors presented a natural experiment for understanding the effect of economic concentration on localities.

The explanatory framework for understanding civic welfare focused on the power structure of the community as a means for understanding civic participation and community problem-solving activities. Within this framework, local business owners and corporate executives, referred to as economic dominants, played important roles in decision-making processes. The power structure of the community was conceptualized as a function of the concentration of economic activity. For example, monolithic power structures occurred when a handful of absentee-owned firms accounted for the vast share of employment within a given community. For these communities the interests of the corporation held priority over those of the broader citizenry. In turn, local residents became alienated from local decision making and problem-solving activities because decision making was guided by select leadership circles acting on behalf of the large employers. Diversified configurations of power, by contrast, emerged in communities with a wealth of small locally-owned firms. In this situation, the interests of the community were synonymous with the interests of the local owners because the place of business and place of residence for the owners overlapped. Local residents would then be more engaged because problem solving became a pluralistic affair comprised of a number of competing interests.

However, this line of thinking and inquiry virtually disappeared following the early 1970s when scholars turned to "mass society" arguments that viewed local communities as irrelevant (Bell 1960, 1973; Kornhauser 1959). The abandonment of community power as an explanation for understanding civic well-being begs the question: Why should we care about a concept that has been largely ignored for the past three decades?

In short, community power is not a dead concept. Rather, economic power and its relationship to civic participation are actually more important today than a half century ago because absentee ownership has permeated a wide variety of industries. Recently retail, service and wholesale industries have followed the lead of large manufacturers in maximizing economies of scale through mass distribution. In some cases the retail sector that was once dependent on manufacturers now exerts substantial control over the production of consumer goods. Unlike their predecessors, 21st century U.S. communities are populated not only by large manufacturing plants, but also by vertically integrated "big box" retail corporations that manage both the wholesale distribution and retail sale of products from high-tech electronics to groceries. Main Street shopping districts once populated by locally-owned merchants have been replaced by a handful of big box retailers.

To our knowledge, no study to date has employed the concept of community power to explain levels of civic participation in the era of the global economy. If we are correct in our assertion that the tenets of classical economic power theory do indeed apply to present-day communities, we suspect that economically concentrated communities will exhibit lower levels of civic participation than their more diversified counterparts. In the analyses that follow, we test this hypothesis using data from the 2000 Social Capital Benchmark Survey National

Adult Sample and U.S. Bureau of the Census County Business Patterns. Our study informs current research in the civic community tradition that has overlooked the interplay between the local economy and the problem-solving capacity of communities.

Locating the Business Structure in Community Life

Sociologists have increasingly sought to understand structural covariates of spatial inequalities in addition to those generated by aggregations of human capital characteristics. Recently, the civic community approach has been employed to highlight the importance of social and economic structures in generating socioeconomic well-being for communities and individuals (Irwin and Tolbert 1999; Lee and Ousey 2001; Lyson, Torres and Welsh 2001; Tolbert, Lyson and Irwin 1998; Tolbert, Irwin, Lyson and Nucci 2002; Young and Lyson 1993). Communities rich in entrepreneurial spirit and locally-owned small enterprises fare better economically than those with a few large absentee-owned employers, because these establishments are embedded in the locality and are less likely to relocate or scale back in economic downturns. Unlike branch manufacturing plants and corporate retail and service establishments, locally-owned businesses are also less exposed to global economic fluctuations. Socially, the civic community perspective hypothesizes that civic welfare also results from pluralistic political structures with dense networks of associations that create a problem-solving capacity for communities.

Despite growing support for the civic community thesis, little attention has been given to the interrelations between the economic and social dimensions of communities. To our knowledge, only one study in the past two decades has attempted to explore this issue. Young and Lyson (1993) propose a "structural interaction hypothesis," arguing that civic welfare is a function of economic and social characteristics, such that $W = f(T*S)$ where W is the level of civic welfare and T represents the characteristics of the business environment, such as locally-owned vs. branch plant manufacturing establishments. The community structure component (S) of this equation captures organizational capacity to address local problems. The business environment and organizational capacity are conceptualized as independent dimensions of a community.

Applying this perspective to civic welfare outcomes in 445 non-metropolitan counties in eight southern states, Young and Lyson (1993) find that organizational problem-solving capacity buffers the effect of business structures on civic welfare. These authors conclude that regardless of the type of business structure (locally- or absentee-owned), organizational capacity is a central predictor of civic welfare. The underlying premise of this assertion is that broad contextual factors, such as the structure of the local economy, influence the well-being of local populations through a set of social institutions (organizations and electoral participation) that encompass the organizational problem-solving capacity of a community (Young 1999).

Although Young and Lyson's (1993) work makes an important statement about the potential interrelations between social and economic components of community, we believe that the structural interaction hypothesis underestimates the relationship between business structures and problem-solving capacity for two reasons. First, business proprietors, executives, managers and professionals are typically powerful social actors in their communities. These persons participate in voluntary associations, political organizations and the electoral system. Simply put, the power and influence of economic actors are not limited to the economic realm. These actors also participate in activities that contribute to the problem-solving capacity of communities, thus it is difficult to justify the disentanglement of economic and social organizations in the manner of Young and Lyson's work.

A second concern with this approach is that business organizations themselves have the capacity to influence the problem-solving organizations of a community and, historically, have played an important role in U.S. social and political life (Tocqueville 1994). When a small number of firms account for a large share of total employment within the local labor force, these firms wield a great deal of economic power in local community decision making because of their substantial contribution to the economic well-being of the community. Alternatively, when employment is more evenly distributed across a large number of businesses, power is dispersed and businesses must compete for a voice in local affairs (Mills and Ulmer 1946). In this way, firms themselves may influence the configuration of power and decision-making by generating institutional isomorphism between the structure of the economy and the configuration of decision making.

Revisiting the Concept of Community Power

Despite the paucity of recent studies exploring interrelations of community social and economic institutions, classic works on community power provide a framework for understanding these interrelationships and, in part, address the critiques of the civic community perspective described above. Dating back to the years immediately preceding World War II until the early 1960s, researchers sought to understand what type of local economy generated the greatest level of civic welfare (Fowler 1948; Mills and Ulmer 1946). The primary focus of these studies was to compare levels of community well-being between towns dominated by one or two large absentee-owned manufacturers and towns populated by a large number of smaller locally-owned manufacturers.

Mills and Ulmer (1946) provide one of the most comprehensive accounts of how economic structure influences the level of problem-solving capacity in a community. Their comparison of big business and small business towns points out three important effects of economic concentration on problem-solving capacity. First, communities with higher levels of concentration of economic activity have a weaker independent middle class (Mills and Ulmer 1946). The independent middle class is comprised of small business owners within the community. Local business owners are an important part of the problem-solving capacity because improvements to the broader community generally benefit local business owners as well. Communities with highly concentrated economic activity possess a smaller independent middle class and a weakened problem-solving capacity.

A second effect of the business structure on problem-solving capacity is through the labor market. In economically concentrated communities, executives and managers of absentee-owned establishments gain success and upward mobility by advancing in the corporate, rather than the community, hierarchy (Mills and Ulmer 1946). Successful corporate employees must focus on the interests of the corporation rather than the well-being of the overall community. Corporate mobility may also require that a manager or professional change place of residence to obtain promotion. In this situation, it is difficult for middle class workers to develop social ties and participate in civic affairs. These assertions also apply in the contemporary labor market, where managers or professionals often move between corporations to gain upward mobility.

A third concern expressed by Mills and Ulmer (1946) is the distribution of prestige and power within the problem-solving activities in the community. Because business owners and managers of absentee-owned establishments hold important positions in political and social affairs, the concentration of economic activity impacts that concentration of power in decision making. When economic activity is dispersed, a large number of business leaders compete for social prestige and input into local decision making. In economically concentrated

environments, social prestige is obtained through the development of ties with corporate managers and professionals. Economic concentration also results in a great deal of power for the handful of corporations that operate in a community. As evidenced by many segments of manufacturing in recent years, large corporations have the capacity to relocate domestically or internationally. Corporations which disagree with a given policy or reform effort may threaten to relocate or withhold support, financial or otherwise.

A central outcome of economic concentration in the community power perspective is the deterioration of civic spirit or what is known today as civic engagement. Though not explicitly tested in their analyses, Mills and Ulmer (1946) observed that big business communities had less civic participation and that big business “tends to dry up civic spirit.” (141) Studies testing these assertions find that there is a dampening effect of economic concentration on civic participation. In some cases executives and other corporate actors influenced community decision making for corporate well-being but did not otherwise participate actively in local organizations (French 1970; Mott 1970). In other cases, corporate executives actively participated in community affairs in order to promote the interests of the corporation in policy decisions. For example, Coates and Pellegrin (1956) noted in their study of “Bigtown” that corporate executives are indeed engaged in civic activity, but only to the extent that participation furthers the needs of the corporation. These executives gained control of leadership in community decision-making organizations and worked to limit participation in these groups to those sympathetic with the corporation’s goals.

Economic Concentration and Civic Behavior

Although researchers in the community power tradition address the role of business structure in civic affairs, these studies have largely overlooked the manner in which economic concentration alters patterns of civic participation among community members. Much like contemporary civic community research, the underlying dynamics at the individual level that result in high levels of civic welfare have yet to be explored. Drawing on the civic participation and social capital research literatures, we link the structural influence of economic concentration to civic behavior by hypothesizing that economically concentrated environments alienate community members, resulting in an apathetic, disengaged local population.

A primary link between economic concentration and community-wide civic participation are the notions of efficacy and trust. In his comparison of northern and southern Italy, Putnam (1993) finds a strong linkage between civic participation and trust in local government. Not surprisingly, the business structure of communities in northern Italy, where efficacy and trust are the highest, is characterized as an industrial district economy populated by tightly-knit small firms. Norms of reciprocity and trust are established through the sharing of resources among businesses (Putnam 1993).

An important aspect of the industrial districts is that businesses operate in a pluralistic fashion by competing and cooperating to maximize profits. Prior studies find that competitive environments engender civic participation (Oliver 1999; Verba, Schlozman, Brady and Nie 1995). In competitive small business environments, there are multiple agendas and preferences driving local problem solving. A central feature of pluralism in a small business environment is that even though multiple solutions may be posed for a given problem, the solutions are locally directed in nature. For example, competing groups in a community may propose a variety of methods for revitalizing a downtown shopping district. Regardless of which method is chosen, the community and local businesses benefit from these efforts. In this case, economic heterogeneity will lead to greater levels of civic participation because a

number of local interests seek a common goal, the improvement of the community. In contrast, economically homogenous communities lack broad competition for public resources resulting in a less active political environment. For these communities, local residents may become alienated because corporate goals are prioritized over the solution of local problems and general local well-being.

A second effect of economic concentration on civic behavior relates to the concept of "cross-cutting networks." (Horan 1971; Mutz 2002a) Cross-cutting networks refers to the degree that individuals are embedded in environments containing multiple political viewpoints. Mutz (2002b) finds that individuals become ambivalent when faced with multiple viewpoints and disengage from political participation because they fear sanctions from members of competing factions. Thus, when individuals are torn between multiple interests, they are less likely to participate. This concept is important for understanding civic participation in economically concentrated environments because residents are torn between the dominant corporate agenda and efforts that benefit the greater good. Fearing social consequences for supporting a non-corporate agenda, individuals disengage from local affairs.

In the analyses that follow, we test these propositions regarding the influence of economic concentration on civic participation. Rather than conceptualizing civic participation on a single dimension, such as voting in an election or number of associational memberships, we employ two composite measures of civic participation that capture dimensions of traditional political participation and participation in protest activities aimed at social change. We test the hypothesis that economic concentration is negatively associated with both dimensions of civic participation. That is, communities in which economic concentration is greater should have lower levels of participation in traditional politics and protest activities.

Data and Methods

To test the effect of the concentration of economic power on civic participation, we analyze data from the 2000 Social Capital Benchmark Survey National Adult Sample (N = 3,003), a probability sample of U.S. households in the continental United States, collected by the Saguaro Seminar at the John F. Kennedy School of Government at Harvard University (Saguaro Seminar 2000). Households were selected using random digit dialing techniques. The adult (age 18 and older) in the household with the most recent birthday was selected as the respondent. Multilingual interviewers were also employed to accommodate respondents not speaking English as a primary language, and up to 10 call-back attempts were made following the initial dialing. For the purposes of our study, we exclude persons who were not U.S. citizens (N = 218).

County identifiers were provided for all respondents in the survey. Using these identifiers we attached information on economic concentration to the individual-level data. We chose counties to contextualize the effect of economic concentration on individual civic behavior because large establishments, such as retail supercenters and large manufacturing plants, may locate outside of city boundaries. Because these establishments employ persons from one or more communities within the county, it is likely that the economic structure of the county may influence social conditions in multiple locales. Additionally, 73.3 percent of all U.S. workers age 16 and older work within their county of residence (U.S. Bureau of the Census 2002). Thus, for the vast majority of the U.S. population, the confluence of social and economic relations occurs within a single county.

Respondents included in our analysis come from 1,094 of the 3,101 U.S. counties. These counties contain 82.1 percent of the total U.S. population. The omission of individuals from many U.S. counties occurs due to the uneven spatial distribution of the U.S. population.

Though our analysis is representative of the contextual conditions experienced by the vast majority of the U.S. population, we also examined differences in demographic and socioeconomic conditions between the counties represented in our analysis and the excluded counties. Our comparison indicates that the counties included in our analysis contain on average a larger number of residents, are more likely to be part of a metropolitan area, and exhibit higher median family incomes than the excluded counties. Despite these differences, the respondents in our analysis are drawn from a diverse set of counties ranging from isolated rural counties with fewer than 2,500 residents to the largest county in the United States.

Economic Concentration

Our measure of economic concentration draws on classical conceptualizations posited by Mills and Ulmer (1946). In their work, the concentration of economic activity consisted of three dimensions: (1) the concentration of employment into a small number of businesses; (2) the share of employment accounted for by non-local business owners; and (3) the industrial concentration of business activity. In our analysis we construct a county-level economic concentration index based on three similar indicators derived from the 1999 County Business Patterns (U.S. Bureau of the Census 2001a).

We operationalize the employment concentration dimension as the percentage of total employment accounted for by the four largest business establishments. We use establishments rather than firms to calculate concentration ratios because county-level business statistics on firms are not available. Four firm concentration ratios are a widely used measure of economic concentration in government statistics and economic research (Pryor 2001; U.S. Bureau of the Census 2001b). The four-establishment concentration ratio indicates the degree to which employment in a county is competitive or oligopolistic. When the four largest establishments account for a large share of total employment, a handful of establishments control a large share of the labor market and business-related decision making within the community.

The non-local ownership dimension is measured as the percentage of the labor force employed in large retail, large manufacturing, corporate headquarters, regional management offices, subsidiaries and auxiliary establishments. Because data on business ownership (locally-owned vs. absentee-owned) are not publicly available, we use employment size as a proxy for non-local ownership. Recent statistics on employment size and ownership confirm this assumption (U.S. Bureau of the Census 2001c, 2001d). In manufacturing, the average number of employees in single-unit, non-corporate, U.S. manufacturing firm is 8.0 workers. For multi-unit corporate manufacturers, the average number of employees per establishment is 171.6. Statistics for retailers suggest a similar trend. For grocery stores, single-unit grocers average 8.7 employees. The average number of employees for multi-unit grocery stores with 100 or more establishments is 77.85 employees.

We define non-locally oriented retailers as retail establishments (NAICS 44) with 100 or more employees. We chose 100 or more employees as our classification based on the average size of a Wal-Mart store (137 employees). Stores of this size are more likely to be absentee-owned by national or global corporations, such as Wal-Mart, K-Mart and Target. Non-locally oriented manufacturers are measured as the number of manufacturers (NAICS 32) with 250 or more employees. We chose 250 or more employees as the definition of non-local manufacturing because large manufacturing establishments, unlike their smaller counterparts, are more likely to be branch plants of a larger corporation. In our measure of non-local business activity, we also include the number of corporate headquarters, regional

management offices and subsidiaries (NAICS 55), or the auxiliaries of multi-establishment enterprises (NAICS 95). Auxiliaries provide services to other establishments in the enterprise such as data processing, warehousing, legal and accounting services.

The industrial concentration dimension is measured with the Herfindahl-Hirschman index of industrial concentration (Rae 1968; Rae and Singer 1973). Industrial concentration is calculated as:

$$IC = \sum_{i=1} p_i^2$$

where p_i is the proportion of the total labor force employed in an industry. Large values of the industrial concentration index indicate a high degree of concentration of employment into a specific industry.

Using principal components analysis, we examined the structure of the three indicators of economic concentration. Our findings indicate that the variables load on a single factor. The factor accounted for 62.2 percent of the total variance and has an eigen value of 1.87. The index of industrial concentration had the highest factor loading (.930), followed by the four-establishment concentration ratio (.794), and the percent of the labor force employed in large establishments and corporate offices (.609). Large positive factor score values indicate a high concentration of economic activity and negative values indicate a competitive, diversified and locally-oriented economic context.

Civic Participation

The dependent variables in our analysis capture two dimensions of civic participation and problem-solving behavior. The components of these measures are reported in the Appendix. Our first outcome, the electoral politics index, measures the respondent's electoral participation through voter registration, voting in the 1996 presidential election, interest and knowledge of politics and current events, and local newspaper readership. The electoral politics index ranges from 0–5 where a value of 0 indicates no electoral participation and 5 represents maximum participation. The second dependent variable, protest politics, identifies respondents' participation in local reform activities, boycotts, protests and petitions, and membership in labor unions, civil rights organizations and public interest groups. Our initial analysis of the protest politics measure indicated a highly skewed distribution such that the vast majority of respondents either participated in no protest activities or only a single protest activity. Due to the observed distribution, we measure protest political activity as a binary variable, where 0 indicates no protest activities and 1 represents participation in one or more protest activities. We hypothesize that residents of economically concentrated counties will be less likely to participate in either electoral or protest political activity. Our initial descriptive analysis of the relationship between economic concentration and civic participation suggests that economic concentration exhibits a significant negative correlation with the electoral politics index (-.105) and protest participation (-.120). We also obtained partial correlations accounting for population size of the county. After accounting for the effect of population size, economic concentration is a significant negative correlate of electoral politics (-.108) and protest activity (-.100).

Control Variables

In our models we control for respondents' spatial, demographic and socioeconomic characteristics. The spatial controls in our study include population size of the county, categorical measures of the metropolitan status of the county in which the person resides

and the region of residence. To correct for skewness in the distribution of population size, we include the natural log of population size in our multivariate analyses. Region is divided into four categories based on the U.S. Bureau of the Census definitions: South, North, West and Midwest. Metropolitan status is classified into three categories: metropolitan county, non-metropolitan county adjacent to a metropolitan area, and non-metropolitan county not adjacent to a metropolitan area. Our demographic controls include categorical variables for sex (1 = female, 0 = male), race/ethnicity (white, black and other), and marital status (married, divorced/separated, widowed and never married). We also control for the respondent's age in years. Socioeconomic controls variables include categorical measures of education (less than high school, high school diploma and post-high school education), and employment status (employed, unemployed, retired and other labor force status). In our initial multivariate analyses we also included household income as a socioeconomic covariate and identified extreme multicollinearity between income and education. We also control for residential characteristics including a variable measuring length of residence (in years) and a binary variable for homeownership (1 = homeowner, 0 = non-homeowner).

Analytical Strategy

To test our hypotheses regarding the effect of the concentration of economic power on individual level civic participation and engagement, we estimate contextual OLS and logistic regression models for our dependent variables. Our contextual models assess the effect of economic concentration on our dependent variables after controlling for our county-level spatial controls and individual-level demographic and socioeconomic measures. Descriptive statistics for all variables in our models are reported in Table 1.

Results

Electoral Politics

In Model 1 of Table 2 we report OLS regression coefficients predicting the electoral politics scale. The electoral politics scale ranges from 0 to 5 and captures the degree to which individuals participate in the voting process, follow current events through newspaper readership, possess knowledge of politics, maintain an interest in current events and know the names of their senators. Findings from this model test our hypothesis that economic concentration is negatively associated with participation in electoral politics. We expect that residents of counties with a high concentration of economic concentration will score lower on the electoral politics scale.

Our findings indicate that economic concentration is indeed negatively associated with participation in electoral politics. A one-unit increase in economic concentration is associated with a -.138 decrease in the electoral politics index. With respect to the spatial controls in the model, our regression results point to no significant differences by population size, regions or metropolitan status. This finding indicates that economic concentration has a significant negative influence on electoral politics after accounting for spatial differences among counties in our analysis.

With respect to the demographic controls in the model, a number of significant findings emerge. The coefficient for age is positive and significant such that a one-year increase in age is associated with a .031 increase in electoral participation. Compared to males, females exhibit lower levels of electoral participation. Hispanics also demonstrate lower levels of

Table 1: Means and Standard Deviations for Variables in Model

	Mean	s.d.
Economic Concentration Index		
Four Establishment Concentration Ratio of Employment	9.53	8.66
Four Establishment Concentration Ratio of Employment (log)	1.85	.96
Herfindahl Index	11.58	4.13
Herfindahl Index (log)	2.40	.29
Percent Employed in Large Establishments and Corporate Offices	12.46	7.12
Population Size		
Population	745,542	1,494,290
Population (log)	12.35	1.64
Region		
North	.19	
Midwest	.23	
West	.19	
South	.38	
Metropolitan Status		
Nonmetropolitan Area, Adjacent to Metro	.15	
Nonmetropolitan Area, Not Adjacent to Metro	.07	
Metropolitan Area	.79	
Demographics		
Age (years)	45.27	16.82
Female	.61	
Hispanic	.12	
Race		
Black	.18	
Other	.09	
White	.73	
Marital Status		
Separated/Divorced	.15	
Widowed	.09	
Never Married	.22	
Married	.53	
Length of Residence (Years)	15.06	13.79
Own Home	.72	
Socioeconomic Status		
Education		
Less than High School	.08	
High School Diploma	.29	
Greater than High School	.62	
Labor Force Status		
Unemployed	.05	
Retired	.16	
Other Labor Force Status	.13	
Employed	.66	
Dependent Variables		
Electoral Politics Index (0-5)	3.01	1.32
Protest Politics Participation (binary)	.56	

participation than non-Hispanic persons. Findings regarding marital status indicate that married persons participate in electoral politics more than separated, divorced, widowed or never married persons. Home ownership is also an important predictor of electoral participation. Persons owning their homes have a significantly higher rate of electoral participation than non-homeowners. The length of residence in the community is also significantly associated with greater levels of electoral participation.

Findings for our measures of socioeconomic status indicate that education has a strong and significant effect on electoral participation. Relative to high school graduates, persons not completing high school score .618 lower on the electoral participation index and those attaining a post high school education score .664 higher on the index. These findings demonstrate that educational attainment is associated with higher levels of electoral participation. Our findings also point to differences across categories of labor force status. Relative to the employed, unemployed respondents exhibit lower levels of electoral participation than employed persons.

Protest Politics

We present our findings regarding participation in protest politics in Model 2 of Table 2. The protest politics measure is a binary variable where "1" indicates participation in protest activities, such as petition signing, demonstrations, boycotts, marches, protests, local reform efforts or membership in labor unions, ethnic and civil rights organizations, public interest groups, political action groups, political clubs and party committees. We hypothesize that economic concentration is negatively associated with participation in protest politics, thus persons in counties with a high degree of economic concentration will be less likely to engage in protest activities.

Similar to our finding for electoral politics, economic concentration is negatively associated with protest politics. Thus, residents of communities with a high degree of economic concentration are less likely to engage in protest activities than those in economically dispersed settings. Coefficients for our spatial controls indicate that residents of the North and the West score higher on the protest politics scale than those from the South. Our findings also indicate that there are no significant differences between metropolitan and non-metropolitan counties in terms of the level of involvement in protest politics.

The demographic variables in our analysis indicate that age, sex, race and marital status have significant effects on protest activity. Following our model for electoral politics, age is a significant predictor of protest politics involvement and females exhibit lower levels of protest politics. Relative to whites, persons in the "other" race category (Asian or Pacific Islander, Alaskan native, Native American or other race) are 1.45 times more likely to engage in protest activities. In terms of marital status, only those who are widowed differ significantly from married persons.

Coefficients for our indicators of socioeconomic status indicate that education and labor force status exert important effects on protest politics. Persons with post-high school education participate in protest politics at higher levels than those with a high school diploma only. In terms of labor force status, retired persons and those in the other labor force category, such as students and homemakers, exhibit lower participation in protest politics than the employed.

Conclusion

Decades ago researchers turned to the concept of economic power to understand the role of business structures in generating civic participation. In the years immediately following World

Table 2: Regression Estimates Predicting Electoral and Protest Politics Participation

	Electoral Politics			Protest Politics			
	b	s.e.		B	b	s.e.	OR
Economic Concentration Index							
<i>Spatial Controls</i>							
Population Size (log)	-.14	.03	***	-.11	-.18	.06	**
Region							
North	-.03	.02		-.04	-.09	.05	.91
Midwest	.08	.06		.02	.43	.12	***
West	.07	.05		.02	.17	.11	1.18
South (contrast)	.03	.06		.01	.39	.13	**
Metropolitan Status	—	—		—	—	—	—
Nonmetropolitan Area, Adjacent to Metro	-.01	.07		.00	-.25	.14	.78
Nonmetropolitan Area, Not Adjacent to Metro	.13	.09		.03	-.08	.19	.92
Metropolitan Area (contrast)	—	—		—	—	—	—
<i>Demographics</i>							
Age (years)	.03	.00	***	.41	.01	.00	*
Female	-.22	.04	***	-.09	-.37	.09	***
Hispanic	-.26	.09	**	-.05	-.33	.19	.72
Race							
Black	.02	.07		.00	.02	.13	1.02
Other	-.07	.09		-.01	.37	.18	*
White (contrast)	—	—		—	—	—	—

Marital Status									
Separated/Divorced	-.36	.06	***	-.09	-.08	.13	.93		
Widowed	-.31	.09	***	-.06	-.44	.19	.65	*	
Never Married	-.22	.06	***	-.07	-.06	.12	.94		
Married (contrast)	—	—	—	—	—	—	—	—	—
Length of Residence (Years)									
Own Home	.00	.00	*	.04	.00	.00	1.00		
Other Home	.26	.05	***	.08	.18	.10	1.20		
Socioeconomic Status									
Education									
Less than Highschool	-.62	.07	***	-.18	-.60	.14	.55	***	
High School Diploma (contrast)	—	—	—	—	—	—	—	—	—
Greater than Highschool	.66	.05	***	.25	.89	.10	2.43	***	
Labor Force Status									
Unemployed	-.26	.10	**	-.04	-.18	.20	.84		
Retired	-.10	.07		-.03	-.36	.15	.70	*	
Other Labor Force Status	.00	.06		.00	-.26	.13	.77	*	
Employed (contrast)	—	—	—	—	—	—	—	—	—
Intercept	1.740	.30	***	—	.69	.62	—		

*p < .05 **p < .01 ***p < .001

War II, the rise of mass production and the opening of branch manufacturing plants in U.S. cities presented an important challenge to sociologists. Do economically concentrated environments have higher levels of socioeconomic well-being than economically dispersed, small business economies? Today, cities across the United States face a very similar, yet compounded version of this same problem. Unlike the economy of the 1940s, 1950s and 1960s, when the vast majority of retail and service activities were conducted by locally-owned establishments, retail and service industries are now dominated by absentee-owned multinational corporations. Today, extra-local interests increasingly dominate both the production and consumption sectors of local economies.

The consequence of this economic shift is a further disjuncture of the interests of the business community and that of the broader population. Mills and Ulmer (1946) point to the independent middle class as an important component of civic welfare. Because the interests of these business owners generally matched that of the community, a large independent middle class ensured that local resources served local well-being. As big box retailers such as Wal-Mart, Target, Best Buy and others replace small retail and service establishments, the independent middle class of local owners is eroded. Our findings suggest that the absence of an independent middle class signals an equally absent civic spirit among local residents.

In this paper, we address the relationship between local economic concentration and the civic spirit that Mills and Ulmer (1946) argue is at the root of civic welfare. Our results demonstrate that local economic concentration is associated with lower levels of civic participation. We find that residents of communities with highly concentrated economies tend to vote less and are less likely to keep up with local affairs, participate in associations, engage in reform efforts or participate in protest activities at the same levels as their counterparts in economically dispersed environments. We argue that the mechanism generating apathy in civic participation is linked to declines in social trust and the notion of cross-cutting social networks. Within the context of our study, social trust is enhanced by the presence of independent middle class business owners competing for status within the community. When the environment consists of a large number of competing political interests that are broadly focused upon the improvement of civic welfare, residents are more likely to participate because they trust local political processes. At the same time, economically concentrated environments lacking a strong independent middle class tend to generate civic apathy. Residents are torn between corporate and community interests and thus choose to disengage from civic affairs. Although not directly tested in our analyses, our findings support the validity of these assumptions.

The results of this study also have important implications for theories of civic community and civic participation. First, our analyses demonstrate that economic environments and local problem-solving capacity are part and parcel of a broader civic mechanism that generates civic welfare. Prior research on the structural interaction hypothesis (Young and Lyson 1993) suggests that problem-solving capacity acts as a buffer between the economic environment and local well-being. Our findings support the hypothesized interrelation between the economic environment and levels of civic participation. We propose that healthy civic environments emerge as the interests of business owners and the general population intersect. When business owners and residents are on the same page, civic participation flourishes.

For students of civic participation, especially those adhering to the "bowling alone" hypothesis posited by Putnam (2000), our findings make an important contribution. Although Putnam (1993) makes reference to the importance of industrial districts in generating trust and norms of reciprocity, the role of the business structure is conspicuously absent from the list of potential reasons why civic participation has declined in United States in the past 30 years. To be sure, increases in dual-earner households, suburban sprawl, hours watching television and commuting times provide plausible explanations for civic decline (Putnam

2000). However, the decline of small retail and service establishments and economic concentration provides an additional analytic tool to understanding this issue. Although our findings are cross-sectional, longitudinal analyses of changes in civic participation should also consider temporal changes in economic concentration, especially among retail establishments. The decline of Main Street shopping districts and the emergence of civically nonconductive shopping malls and big box retailers provides a potential explanation for why Americans are withdrawing from civic life, isolating themselves and their families through consumptive practices.

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Appendix

Items in Electoral Politics Index

1. How many days in the past week did you read a daily newspaper (number of days)?
2. How interested are you in politics and national affairs (very interested, somewhat interested, only slightly interested or not at all interested)?
3. Are you currently registered to vote (yes or no)?
4. Did you vote in the presidential election in 1996 when Bill Clinton ran against Bob Dole and Ross Perot, or did you skip that one (yes or no)?
5. Could you tell me the names of the two U.S. senators in your state?

Items in Protest Politics Index

1. Have you signed a petition (yes or no)?
2. Have you attended a political meeting or rally (yes or no)?
3. Have you participated in any demonstrations, protests, boycotts or marches (yes or no)?
4. Did you or any of the groups that you are involved with take any local action for social or political reform in the past 12 months (yes or no)?
5. Are you a member of a labor union (yes or no)?
6. Are you a member of an ethnic, nationality, or civil rights organizations, such as the National Organization for Women, the Mexican American Legal Defense or the NAACP (yes or no)?
7. Are you a member of other public interest groups, political action groups, political clubs or party committees (yes or no)?

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