

JOHN H. BODLEY - RESEARCH PROSPECTUS

ELITE POWER AND LAND OWNERSHIP IN WASHINGTON STATE

(a). SIGNIFICANCE

Drawing on the inspiration of the pioneer work of political-economist Henry George (1877, 1955), I propose to assess the power of land owning elites in the State of Washington in order to better understand how elite power is related to the well-being of communities and households in the state. This project will develop analytic techniques that can be applied to any state, region, or county. The primary objective is to promote changes in public policy that will redirect economic growth and development toward maximum sustainability in ways that satisfy the mutual self-interests of the members of communities and corporate interest groups.

A consensus has emerged in the development community that unsustainable economic growth and extreme poverty are the primary threats to the global environment and human well-being (Daly and Cobb 1989, Durning 1992, Meadows et.al. 1992, Postel 1994, WCED 1987). Inequitable distribution of wealth and power means that people living at the top *and* bottom of the economic hierarchy put disproportionate and unsustainable demands on natural capital (ecosystems and resources) and social capital (governments, communities, and households). The richest resources are being consumed at unsustainable rates, while marginal environments are being degraded. Because the interests of land-owning elites are often supra-local, they may benefit from the environmental degradation and human impoverishment that produces economic growth. The elite, who earn their living from their financial investments, may enjoy the benefits of unsustainable growth, while they escape its immediate detrimental consequences. The elite may also have the power to produce sustainable development if public policies can redirect their activities.

The potential benefits to ecosystems and human communities of more equitable and sustainable development are clear, but may require a greater devolution of economic power and changes in land ownership patterns. The support of economic elites will be critical to the achievement of sustainable development. It is important that elites remain connected to local-level communities and have a mutual interest in sustainability. However, surprisingly little is known about who the land-owning elite are, how much power they have, or how they influence public policy. This research will identify the land-owning elites in selected counties in Washington State, and will assess the relative dimensions of their social power. With this foundation it will then be possible to explore alternative models of land ownership and public policy such as proposed by George, and assess their possible social impact.

(b). METHODOLOGY

This project concerns economic elites defined by Vilfredo Pareto as individuals at the top of the economic scale (Mayhew and Schollaert 1980a). It also assumes that elites of whatever sort are a universal in human societies. Their actual number and power are functionally related to the absolute scale of resources and population, and the cultural rules regulating power and the distribution of resources (Mayhew 1973, Mayhew and Schollaert 1980b). However, our concern is not with wealth as such, but with elite economic power and its relation to resource use and public policy.

Economic power is only one dimension of social power. In his *The Sources of Social Power*, Michael Mann (1986) delineates economic, political, military, and ideological power. In this research I will examine those holding economic power, and consider how economic power

also relates to political and ideological power. Economic elites are included within the "power elite" of Mills (1956).

In this research I will identify the largest landowners within specific counties in the state, and will consider how land ownership relates to political power and the well-being of local communities. Power is defined as the ability to shape events, as measured indirectly by the distribution of wealth and income, controlling positions of authority, or winning in disputes over public policy (Domhoff 1983, 1990). It is hypothesized that individuals owning or controlling the largest amount of land will have a dominant influence on public policy affecting resource use and the distribution of risks and benefits within individual counties. Large land-owners may form an "inner circle" of social power at local levels similar to those identified by Michael Useem (1984) and Thomas Dye (1983) at the national level.

Because many land owners are corporations not individuals, it will be necessary to use public records and commercial business directories to identify the individuals controlling and directing these resources. The proxy statements of publicly traded corporations also list affiliations that board members may have to other clubs, civic organizations, and corporations both within and outside of the state. This information will show overlapping networks of power often radiating far beyond an individual corporate board into political and ideological power dimensions. State-level business licenses can be used to identify the owners of privately held businesses. At the county level this procedure can be combined with land ownership records to identify elites with dominant control over land and natural resources.

A guiding assumption is that as the scale of culture increases, or the economy grows, the absolute power of elites will increase disproportionately in the absence of specific changes in cultural organization. Any disproportionate increases in power can be empirically measured. By focusing on Washington State, it should be possible to relate changes in elite power to changes in the level of tax revenues, business activity, sales, wages, profits, and income, at local, county, and state levels.

Ownership of real estate is a key source of power for local elites, who build personal fortunes through property development and rentals. In 1995, I analyzed the assessor's list of property holdings for Spokane County, Washington to gain insights on elite power at local and regional levels. I did a mainframe computer sort of the county records using SAS software, and counted 190,051 parcels of property, 138,289 owners, and a total assessed value of \$16.5 billion. Property ownership in Spokane County proved to be highly concentrated. The top ten percent of owners held approximately half of the property in the county. None of the lower 80 percent of owners held property assessed at more than \$150,000. Owners were resident in all fifty states, and seventeen foreign countries, but 85 percent of the assessed value belonged to owners resident in the county. A few hundred tax-exempt owners such as governments, schools, and churches held \$1.2 billion in assessed values.

Excluding tax-exempt properties and owners, the 100 largest owners controlled \$1.6 billion in property, nearly 10 percent of the total \$15.3 billion in property values. There were 761 large owners (473 corporate, 288 private individuals) holding real estate worth \$1 million or more, who collectively controlled \$3 billion in non-exempt property. This means that less than 5 percent of owners owned 20 percent of the total property value. This is precisely the figure that Domhoff (1983) gives for the typical level of wealth concentration in the United States. Many large individual owners were land developers and landlords. It will be useful to extend this procedure to other counties within the state and to identify the directors of businesses to

obtain a more complete picture of the importance of regional elites and to identify their connections to state level elites.

Washington is a diverse state, and I will attempt to sample ownership patterns in a major urban area, a lumber-dependent county, an irrigation-agriculture county, a dry-farming county, a ranching county, and an island, second-home, retirement retreat. After the preliminary ranking and sorting is completed for the sample regions, a more detailed analysis of the use of elite power can be carried out. For example, it will be possible to combine this material with census data to evaluate the effect of elite power on the production of jobs and income, the flow of wealth, the quality of housing and healthcare, and the use of natural resources in specific communities. It may be possible to identify some of the cultural processes and dynamics underlying the common belief that "the rich get richer and the poor get poorer." I hope to use GIS (geographic information system) technology such as ArcView to analyze this material graphically. For example, computer-based parcel maps are available for much of Spokane County.

(c). NEED FOR THE FUNDS

I am requesting approximately \$55,000 to support a half-time graduate research assistant for 12 months and to provide 3 months of full time support for the principal investigator. An additional \$5000 will be needed for computer equipment and supplies, software, data acquisition, and travel. Much of the data required for this project is not readily available in libraries, it must be purchased from government agencies. Analysis of the material is a time-consuming process requiring special computer skills, software, and hardware. Graduate research assistants will greatly facilitate the data collection and analysis process. Travel funds are needed to visit state and county offices. I will seek further funding from a variety of sources for later phases of this research.

(d). POTENTIAL BENEFITS

Because there are strong incentives in the new transnational economic order for the financial interests of Washington elites to become disconnected from the interests of local communities within the state, it has become increasingly important to understand how power is distributed within the state and how it is used. This work provides the foundation for further research that will position Washington within the national and global networks of elite economic power. It will make cross-national comparative studies both more feasible and more valuable. These findings can also be related to earlier historical baselines to illuminate the dynamics of elite power. I intend to make the published results accessible to a broad audience including planners, policy makers, and the public.

REFERENCES CITED

Daly, Herman E. & John B. Cobb 1989. For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future. Boston: Beacon Press.

Domhoff, G. William 1983. Who Rules America Now?: A View for the '80s. Englewood Cliffs, New Jersey: Prentice-Hall.

Domhoff, G. William 1990. The Power Elite and the State: How Policy is Made in America. New York: Aldine de Gruyter.

Durning, Alan Thein 1992. *How Much Is Enough?: The Consumer Society and the Future of the Earth*. The Worldwatch Environmental Alert Series. New York and London: W.W. Norton and Company.

Dye, Thomas R. 1983. *Who's Running America?: The Reagan Years*. Englewood Cliffs, New Jersey: Prentice-Hall.

George, Henry 1955 [1877]. *Progress and Poverty: An Inquiry into the Cause of Industrial Depressions and of Increase of Want With Increase of Wealth...the Remedy*. New York: Robert Schalkenbach Foundation.

Mann, Michael 1986. *The Sources of Social Power. A History of Power from the Beginning to A.D. 1760. (Volume I)*. Cambridge: Cambridge University Press.

Mayhew, Bruce H. 1973. *System Size and Ruling Elites*. *American Sociological Review*.

Mayhew, Bruce H. and Paul T. Schollaert 1980a. *Social Morphology of Pareto's Economic Elite*. *Social Forces* 59(1):25-43.

Mayhew, Bruce H. and Paul T. Schollaert 1980b. *The Concentration of Wealth: A Sociological Model*. *Sociological Focus* 13(1):1-35.

Meadows, Donella H., Dennis L. Meadows, and Jorgen Randers 1992. *Beyond the Limits: Confronting Global Collapse, Envisioning a Sustainable Future*. Post Mills, Vermont: Chelsea Green Publishing Co.

Meadows, Donella H., Dennis L. Meadows, Jorgen Randers, and William W. Behrens III. 1972. *The limits to Growth*. New York: Universe.

Mills, C. Wright 1956. *The Power Elite*. New York: Oxford University Press.

Nader, Laura 1972. *Up the Anthropologist--Perspectives Gained from Studying Up*. In *Reinventing Anthropology*, edited by Dell Hymes, pp. 284-311. New York: Pantheon Books, Random House.

Postel, Sandra 1994. *Carrying Capacity: Earth's Bottom Line*. In Lester R. Brown et.al., *State of the World 1994: A Worldwatch Institute Report on Progress Toward a Sustainable Society*, pp. 3-21. New York: W.W. Norton and Company.

Useem, Michael 1984. *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the U.S. and U.K.* New York and Oxford: Oxford University Press.

WCED (World Commission on Environment and Development) 1987. *Our Common Future*. Oxford: Oxford University Press.