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WSJ: Your City Might Be the Next Detroit...But That's Not All Bad.

Coming between the bankruptcy in California of Stockton and the looming insolvency of San Bernardino, Detroit's bankruptcy saga has sent shivers through cities all around America. And on first glance, with good reason. Many municipal governments, like their state and federal counterparts, seem caught in cycles of overspending and undertaxing that have strained their finances and left public pensions in peril and bondholders at risk. At a moment when cities are in many ways like the best bet for the future of political pragmatism and democratic problem-solving globally and locally - the thesis of my new book "If Mayors Ruled the World" — too many are feeling strangled by fiscal constraints and robbed of their democratic autonomy by legal challenges.

With 40% of Detroit's street lights out, 2/3rds of the parks closed, and 911 call response time nearly an hour, city officials elsewhere are understandably anxious. Stressed federalism has put burdens on cities without giving them the power or resources to lift those burdens: cities have become gargantuan unfunded mandates where much of the nation's productivity, innovation and prosperity are generated without adequate support from the outside. Why? Because our skewed national political infrastructure - when it functions at all — continues to favor rural regions over cities, even though cities represent over three quarters of the American population and the absolute electoral majority (if every citizen actually voted!)

Nevertheless, the good news is that even if many American cities face the destiny that is Detroit's today, that is by no means all bad. For even in Detroit, the natural creativity, entrepreneurship and civic resilience that are hallmarks of cities everywhere are much in evidence; whereas the problems are caused by difficult but remediable challenges that are not endemic to the city but a function of larger challenges facing every level of government around the world.

Here are just a few of the key problems, and a suggestion of how cities can deal with them in the promising ways that Detroit itself has already embraced.

DECLINING MANUFACTURING BASE: The outsourcing of jobs to other countries and the decline of American manufacturing is a national not an urban story, and while rustbelt cities such as Pittsburgh, Cincinnati and Detroit must bear the consequences, the problem is not of their making. Moreover, cities have proven more resilient than nations, finding ways to transition from the old to the new economy and allowing the endemic attractions of city life that attract culture, tourism and young people to afford innovation in new areas. Detroit is a new destination for young cultural hipsters and entrepreneurial innovators with bankruptcy being seen as a transition phase on the road to renewal.

STRESSED FEDERALISM AND A TOO NARROW DEFINITION OF CITY LIMITS: Cities like Detroit and other major metropolitan centers often find themselves defined narrowly by maps conceived in the 19th century that do not begin to correspond to the urban regions in which the populations they serve and the jobs they support are located. In just a few decades, Detroit proper has lost more nearly two thirds of its population (down from 2 million to 700,000) and most of its old economy jobs

(though Jefferson North in Detroit sports one of Chrysler's most successful Grand Cherokee Jeep plants.) Yet during the same period the ten counties around the city that comprise the greater Detroit metropolitan region have grown to 5.3 million (with up to 2 million jobs!) and now comprises the fourth most prosperous "new economy" region in the nation after Silicon Valley, San Francisco and New York (see the city's "New Economy Initiative.") If the fit between the real city today defined by all who are served by its resources and public goods, and the much narrower economic base, can be adjusted, the "real" Detroit defined by regional demography, transportation and economics will afford the old Detroit a genuine rebirth.

THE BURDEN OF PENSIONS: Some conservatives claim that the problems of cities like Detroit are created by public employee pensions too rich for the city revenue stream. Yet Detroit's public pensions, (at a mean of \$19,000 per annum), average about one half the cost of those offered in Chicago or L.A. And these pensions are earned by workers in professions crucial to urban life - transportation, education, health, fire and safety. Moreover, in these domains many commuters and suburban citizens receive services they do not pay for because of the federalism issues noted above. Yet the tendency is to put public pension obligations behind obligations to bondholders or even commitments to build sports stadiums. (Detroit has a quarter of a billion dollar hockey stadium pending even as it considers selling off the holdings at the Detroit Institute of Arts). As Bruce Katz (The Metropolitan Revolution) has argued, there is a deep disconnect between the urban public and the urban private, between city government and the city economy. Repair that disconnect, balance government and market needs, and cities thrive.

After all, cities are where civilization began and where democracy was born. As Edward Glaeser has said, we are an "urban species" defined by the kinds of sociability, creativity and interdependence that define our cities. Cities are where we are born and where we die, where we learn and work, pray and play. Mayors are pragmatists and problem-solvers, and urban citizens are innovators and survivors. London, Rome, Alexandria and Boston are much older than England, Italy, Egypt and the United States. And in today's world it is not the US and China that are containing carbon emissions (80% of which are generated in cities) but Los Angeles and Shanghai (by greening their ports), New York (by insulating its old housing stock) and Bogota (by upgrading its public transportation). Organizations like the C-40 Cities and ICLEI are allowing cities to work together to curb emissions, even where states do nothing.

Detroit's fate may in time be Miami's, Atlanta and San Diego's. But that's just fine. John Kennedy once moved the world by saying "Ich bin ein Berliner!" Proud urban Americans can move the nation today by proclaiming "we are all Detroiters!" By embracing Detroit's greatest urban activist, the 95-year-old Grace Lee Boggs, and declaring "I am Detroit!"