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## Urban development

# Putting the New back in New London

NEW LONDON, CONNECTICUT

ALONG the coast of Connecticut lies a group of port cities, all of which have been battered by the loss of jobs in the defence industry. New Haven (in spite of the presence of Yale University) and Bridgeport (surrounded by one of the richest communities in America) are both down-at-heel. Further north is New London, once the heart of the world's nuclear-submarine industry and now a windswept clutter of vacant sites and boarded-up buildings along the appropriately named Thames river. But New London has been luckier than its Connecticut neighbours: and its luck may carry a lesson for the way universities can influence urban renewal.

In New London, the most renowned university is not (as Yale is) right in the desolate centre of town. Instead, Connecticut College perches on a hill high above the river, its granite campus cut off by a highway from the rest of the town. For years, it has been resented: "We thought of the college as those monied folks on the hill who don't pay property tax," says one New London businessman. As in many American towns, when industry went, it left behind the bodies that pay little or no local tax—hospitals, schools, universities—and a lot of people on lower wages, or on none at all.

New London was a victim of the peace dividend of the early 1990s. A decade ago, its corner of America was more dependent



on defence jobs than almost any other. In the mid 1990s the largest employer in the region, a submarine builder called Electric Boat, owned by General Dynamics, which had once employed 23,000 people, began to cut its labour force to 7,500. The 1,500 professional jobs in a naval underwater research centre also went last year. In a labour market which today has around 150,000 jobs, these were heavy blows.

The job losses have been largely offset by the opening, a few miles away, of two vast casinos on Indian land (see next page). Between them, these now directly employ about 17,000 people. The more lasting damage has come from the loss of buoyancy in property tax. Connecticut is a state of 169 urban fiefs, each keen to tax and spend; and New London is a high-tax city. That is partly because it has few taxpayers

and many demands: "With 33 houses of worship, two colleges and a hospital, almost half our six square miles is not taxable," says Richard Brown, the city manager. But the town also has higher poverty and lower incomes than its neighbours. Unusually for this largely white corner of Connecticut, a third of its people are black.

For some time now, the Republican state government has been trying to breathe life into New London. So, not always harmoniously, have the town's governing Democrats. Last autumn, at the state's initiative, Claire Gaudiani, the glamorous and energetic 53-year-old president of Connecticut College, was recruited to revive the town's moribund development corporation. Apart from bringing together New London's businesses to think about their town's future, she offered something else the politicians could not match: connections.

Across the river, in Groton, is the main American research base of Pfizer, a large pharmaceutical company. Miss Gaudiani dropped in on its boss, George Milne, and persuaded him to take charge of corporate development for the new body. Within a few weeks, she recalls, "He changed from a director to a client": he put to his board the idea of expanding on the town's largest empty site, a stretch of river bank where an old linoleum mill once stood. In February, Pfizer announced that it would go ahead, eventually bringing 2,000 top-notch jobs to the city centre.

The effect on the town has been dramatic. Some officials resent this *coup de théâtre* by an academic (French literature) and a woman at that, but they admit that the housing market has perked up and that other companies are suddenly showing an interest in moving in. In time, they expect the new Pfizer plant to bring in 12-15% of the town's property taxes.

Why did Pfizer fall for Miss Gaudiani's charm? In fact, says Mr Milne, Pfizer's first plant was in Brooklyn, and the company sees being a socially concerned employer as part of a culture that will attract bright young scientists. The new centre will look exciting, with a ferry to skim across to the Groton office for lunch. "I believe very much that the nature of a company's buildings can be a competitive advantage," he says. But there were drawbacks, too, of the kind that matter to upmarket companies: a site that might turn out to be contaminated, bringing an expensive liability to clean up; a lack of employment opportunities for the spouses of employees; and no decent airport.

In fact, as happens increasingly in such situations, the state and city between them have removed or underwritten most worries about liabilities. They have also removed most of the property-tax burden that would fall on the company in the first decade. As a result, the new site may not cost Pfizer any more, at least at first, than a greenfield site would have done. As for transport, the train links with New York and Boston are being electrified, and next year that will make New London about 1½ hours from each city.

Having pulled off her coup, Miss Gaudiani is now keen to pull off more—one a quarter, she hopes. She is working her contacts, artistic and corporate, and dreams of turning New London into "a hip little town". She took on the task partly, she says, because she felt the college owed something to the town: in the early years of the century, when colleges for women were still rare, the citizens of New London collected money and donated the land for Connecticut College, which is now co-ed.

The town's press and businesses did not initially return the compliment. The Pfizer deal has changed all that. Now, says Miss Gaudiani, she is startled to see the effect of the college's involvement. "I had wildly underestimated the impact that a college president had to convene and request and engage and inspire," she says effusively. "All over our country, we in higher education could do a lot more if we used the moral juice that comes in our food basket and let others have a sip."

It is a lesson that other college presidents might take on board. Just along the coast, the larger town of New Haven is wrestling with some of the same difficulties as New London. But Yale, which is starting to feel the impact, has been slow to use its academic prestige on the city's behalf. "I'd encourage the president of Yale to say to his board, I'm going to spend a third of my time on New Haven—it's that important," says Miss Gaudiani.

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