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# ENTERPRISE ZONES AND THE CENTRAL CITY FOOD DELIVERY SYSTEM

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Substantial public assistance programs directed at revitalizing the central city food delivery system are highly unlikely in the near future. Unfortunately, deficiencies in the accessibility of food stores persist in many central city areas. President Reagan has proposed adoption of the concept of "enterprise zones" as a means of dealing with redevelopment in troubled urban areas.

The project reviewed here examines the market structure of central city food retailing, reviews some of the identified sources of problems, and considers alternative remedies, emphasizing the "enterprise zone" concept. Data used in the project were primarily a special tabulation of the 1972 Census of Retailing for the 150 largest SMSA's of the U.S., together with companion data from the Census of Population and other miscellaneous sources.

Three limiting data problems have been encountered in the project. First, there are many gaps in the Census of Retailing data, occasioned by suppressions to avoid identity disclosure for reporting firms. Second, the closest possible approximation of an inner-city using Census of Retailing data is the "central city," which represents the corporate city portion of an SMSA. If the term "inner-city" is used in reference to the low-income or poverty area of a city, it is readily apparent that data for an entire city, which often includes at least some fairly high income neighborhoods, will not accurately reflect the seriousness of any existing

"inner-city" condition. The third problem surfaced during the data analysis when it became evident that business conditions were significantly more favorable in some central cities than in others. Closer examination of the data revealed that in 61 out of 147 SMSA's, income levels were higher in the central city than in the urban fringe. This condition was evident most commonly among small to medium sized cities, mostly in the South and Midwest, where poverty is more nearly a suburban and rural phenomena than it is one of the inner-city. As a result, the data set was divided into two groups, one including those SMSA's where central city income was lower than that of the urban fringe, (86 SMSA's) and those (61) where the opposite was true.

In those SMSA's where per capita income was lower in the central city than in the urban fringe, there were fewer supermarkets and lower supermarket sales per capita, but more small stores and total food stores in the central city than in the urban fringe. For the remaining urban centers, where incomes were highest in the central city, exactly the opposite conditions were found. When examining only the data for the 10 largest SMSA's, central city conditions were found to be generally more acute.

The magnitude and complexity of the underlying causes of these conditions make promising remedies difficult to develop. Earlier studies have identified poverty, crime, the high cost of operating an inner-city business (including labor problems), and area

deterioration and congestion as some of the major impediments to inner-city business.

Some of the basic provisions of the "enterprise zone" concept, which includes federal payments of some labor costs and important concession on several

tax expenses, has the potential of providing important relief to inner-city businesses. Further definition of the provisions of the entire zone concept and its application to food retailers is clearly an important area for further exploration.