Franchising Inequality
BY KARINA CHRISTIANSEN

SUPERSIZING URBAN AMERICA: HOW INNER CITIES GOT FAST FOOD WITH GOVERNMENT HELP
By Chin Jou
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When the historian Chin Jou reread Eric Schlosser’s 2001 book Fast Food Nation, she found herself struck by one “brief, stunning” passage that was almost an aside in Schlosser’s larger work. In the passage, Schlosser observed that the federal government, primarily through the Small Business Administration (SBA), has been a major underwriter of new urban fast food establishments for decades. Jou has transformed this passage into an illuminating and accessible book of her own, Supersizing Urban America.

A lecturer in American history at the University of Sydney and a former post-doctoral fellow in the Office of History at the National Institutes of Health, Jou set out to uncover the roots of federal involvement in the fast food industry. Though her book is a scholarly inquiry into the origins of that involvement, Jou is clearly concerned about consequences: namely, the inundation of fast food restaurants in urban, majority-black communities and the disproportionate rates of obesity among women and children of color. The “obesity epidemic” frames Jou’s narrative, from her motivation to uncover this hidden history to her final policy solutions.

Jou starts with the urban crises of the late 1960s. Civil disorder erupted in cities across the country in response to police brutality, discrimination in housing and employment, and exploitation in the neighborhood marketplaces of black communities. The administrations of Presidents Lyndon Johnson and Richard Nixon considered some form of urban economic development essential to the larger project of achieving what Nixon often referred to as “law and order.” Enter the fast food industry.

After establishing a foothold in American suburbs and exurbs in the 1950s and 1960s, the fast food industry sought to enter America’s remaining “untapped” marketplace: the inner city. Federal agencies, particularly the SBA, had made small business assistance programs available to minority entrepreneurs as part of the strategy to promote urban economic development. Corporate franchisors, which in 1966 had succeeded in qualifying as small businesses following what they referred to as “extensive consultations” (read, lobbying) with the SBA, identified subsidized minority ownership as a promising vehicle through which to enter the urban market.

The fast food industry had “little to lose and plenty to gain.” The federal government underwrote the financial risk of opening new restaurants, leaving fast food chains to rake in proceeds from property leases, and annual royalties on gross sales. Jou describes how the reliance on franchising to promote minority business was a paternalistic and even discriminatory policy response. Agency administrators saw franchises as an ideal model for the inexperienced minority entrepreneur, who would benefit from the managerial assistance, brand-name recognition, and national marketing campaigns of the parent company.

Yet while the fast food industry paid lip service to diversity and opportunity, civil rights organizations accused chains of limiting black and Hispanic franchisees to minority neighborhoods. In the 1980s black franchisees brought a series of lawsuits against Burger King and McDonald’s, alleging that the chains restricted minority owners to urban locations—which were often the least desirable outlets, given their high maintenance and security costs. In the meantime, these franchises granted the industry access to customers who disproportionately consumed fast food. Jou links this demand for fast food to aggressive (and unregulated) urban marketing campaigns, particularly those that targeted black and Hispanic youth.

In the final chapters of her book, Jou surveys the body of evidence linking exposure to and consumption of fast food to the obesity epidemic among minority urban populations. She writes that though the causes of obesity are multifactorial, the fast food industry and its government underwriters bear at least some responsibility. She ends with policy recommendations to promote access to healthy food and education about healthy eating in communities and schools. No new ground is trod here.

I finished the book feeling that Jou had not fully explored the implications of her own historical analysis. I wished that she had examined the ways in which underwriting fast food to nominally “revitalize” urban America (while clearly lining the pockets of mostly white corporate America) intensified urban inequalities. More than just expanding waistlines, how did fast food development affect residential housing values, employment prospects, public safety, or commercial lending in black and Hispanic neighborhoods?

Ultimately, focusing on obesity is limiting. Jou’s policy recommendations stick to what is actionable to address obesity in the near term (though the effectiveness of such policies is by no means certain). Changing SBA guide-
lines to exclude franchises is dismissed as politically infeasible. And while Jou calls an “all-out assault” on poverty necessary to reduce obesity, she settles on a call for healthy food access and education as the “most feasible and promising way forward.”

Obesity may be an unintended consequence of underwriting fast food establishments, but as Jou shows us, the policy itself was an inadequate and paternalistic response to demands for racial and economic justice. These demands remain unanswered.

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