

# Growing poverty in cities and growing wealth at the top

## A review of *The Divided City* by Alan Mallach

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*The Divided City: Poverty and Prosperity in Urban America* by Alan Mallach, copyright 2018 by Island Press.

Recently, the National Association of Black Journalists returned to Detroit for its annual convention after abandoning the venue for 20-some years. In a subsequent comment appearing in the *Detroit Free Press*, columnist Rochelle Riley described how she and her fellow Detroit journalists spent their time at the convention.

She told her readers, “We local journalists had one goal: to show off the Detroit we know, the one that is growing, the one that is shining, the one that is becoming, once again, one of the greatest American cities.”

By her own admission, Riley did not make it her mission to expose to her national colleagues that Detroit’s poverty rate—approaching 40 percent—is the highest of any big city in the US and not declining. She chose in her column to highlight the establishment hype about a “Detroit comeback.” This is significant itself, as an indication of the alienation of the self-satisfied black middle class from the concerns of broad masses of African American workers.

Alan Mallach apparently believes that accounts such as Riley’s are so far from reality that they are unbelievable to broad layers of the population. He seeks to provide a more accurate description of the protracted decline of former industrial centers in the US Midwest and Northeast, including Detroit, even though he refuses to explore what is behind it—i.e., the crisis of the capitalist profit system—and he offers only threadbare and completely unviable reformist nostrums as an alternative.

These cities and their remarkably similar fates are the subject of his new book, *The Divided City: Poverty and Prosperity in Urban America*. It is not Mallach’s reformist perspective but the sociological data he presents, historically and geographically broad, that gives the book its significance.

The veteran urban researcher, now senior fellow at the Center for Community Progress in Washington, D.C., explains that any economic revival in Detroit, like other post-industrial cities he has studied, is limited to a tiny area of the city. The neighborhoods in which the vast majority live are poor and getting poorer.

“Detroit, in a way, is a microcosm of urban America,” said Mallach at a local book promotion recently. He told Your Daily Detroit News Byte Podcast: “I mean this dichotomy, this conflict, between on the one hand you have this very concentrated revival which tends to be in around downtowns or major universities and medical centers and the persistent poverty surrounding it is typical whether you are talking about Detroit, or Philadelphia or Cleveland or...Baltimore.”

Only 5 percent of the roughly 140 square miles of Detroit is making any progress, Mallach said. “The areas where you are seeing most of the movement along the Woodward Corridor, in Mid-Town and Downtown. They were not residential areas to begin with.”

The copious data he includes in his book came from studying former urban industrial powerhouses, vital population centers, located in the US Northeast and Midwest. The author includes important details about Detroit, as well as much on Baltimore, St. Louis, Trenton, Pittsburgh and other cities.

In the archipelago of former industrial cities—large, medium, and small—that he treats in this book, the loss of industrial jobs has been staggering.

By 2012, Philadelphia had only 23,000 manufacturing jobs left of the 264,000 it had in 1967. Pittsburgh had barely 7,000. It was that way in post-industrial cities across the US.

Mallach points to many factors behind this staggering loss of jobs, including automation and globalization. Noting that this has reduced the number of factory jobs in relation to total jobs in the US, he concentrates his attention primarily on the migration of jobs from city to suburb and from northern states to the South and West.

He writes, “Manufacturing is alive and well in the United States, but not in the cities that were the cradle of America’s industrial might. Companies walked away from obsolete plants in congested urban areas for modern plants where they could operate more efficiently and hire a cheaper nonunion workforce to replace the well-paid workers they left behind.”

However, he studiously avoids any criticism of capitalism itself. The financialization of the US and world economy, the loss of US hegemony on the world market, and the danger of inter-imperialist war that flows from this would have to be investigated to provide a more truthful and comprehensive analysis.

Despite this serious limitation, the book contains remarkable data that deserves consideration.

For example, post-industrial cities have, where possible, embraced economic activity surrounding universities and the health care industry. Mallach calls the sector “Eds and Meds.” However, except in a few cases, this encompasses a very small part of the geographical area and population of these cities.

He writes: “Major universities are multi-billion business...turning out not only graduates but also research projects and profitable business spin-offs.” College and university enrollment went from 6 million 50 years ago, to over 20 million in 2014, and annual expenditures in higher education were almost four times as much as in 1970, \$532

billion.

From 1950 to 2014, spending on health care in the United States went from \$117 billion to just over \$3 *trillion*, in 2014 dollars. The US population doubled in this period, but health care spending increased 25 times. Spending on medical research underwent a 50-fold increase in the same period.

The professional jobs created in these areas don't go to city dwellers for the most part, however, but to suburban commuters. City dwellers often commute to low-wage jobs in the suburbs.

In another place, the author eschews the term gentrification, which has been popularly used to designate areas where residents of modest income are pushed out to make way for higher-paid professionals. He points out that this is almost always limited to very small pockets of prosperity amid a sea of wider urban poverty where nothing but empty lots ever replaces the abandoned homes.

He refers in passing to the Detroit bankruptcy of 2013-2014 only because it was the first bankruptcy of a major US city. In this book, he never acknowledges that the settlement with city bondholders was supported by the Obama administration and carried out at the expense of the wages, benefits, pensions and jobs of city workers and working class residents. Nor does he note that the illegal conspiracy greased the wheels for the downtown-midtown profiteering ventures.

While Mallach expresses distaste for the Reagan era and post-Reagan urban policy that relied on economic development schemes and profiteering to save the cities, when he proposes social reforms, they are little better.

For example, he praises Detroit Democratic Mayor Mike Duggan for aggressive "reform" measures. He does not note these comprised the privatization of city functions and attacks on public workers.

The book provides statistics and stories about the neighborhoods that are eye-opening. The Detroit Land Bank tallied 50,000 vacant, abandoned structures in a 2013 count of vacant properties in the city. That number is on top of the 100,000 or more vacant lots in between and around them. Mallach writes, "Of the 550,000 homes and apartments that existed in Detroit in 1960, over 250,000 are gone, in most cases replaced with the vacant lots that today dominate the landscape of most of Detroit's neighborhoods."

He notes how rapid Detroit's decline in personal income and the city's overall social conditions have been. He writes: "In 2005, Detroit had more than 68,000 middle-class black households, families making \$50,000 or more. By 2015, the number (with the floor adjusted to \$60,680 to account for inflation) had dropped to 35,500—barely half as many." He notes that this migration of the black middle class out of central cities to the suburbs is true of many cities in the US.

His description of the economic and social deterioration in the Northwest Detroit neighborhood of Crary-St. Mary's is revealing—and implicitly rebuts the race-based explanation of the collapse of Detroit that Mallach himself espouses in the course of his book.

Once home to auto workers and city workers with modest but steady (what he calls middle-class) incomes, it went from all white families to 84 percent black families by the 1980s. Mallach writes: "The skin color of the people living in the houses may have changed, but little else did. The great majority of the black newcomers were middle-class strivers themselves. They earned about the same as the people they replaced, and they owned their own homes, where they raised their families. The number of married couples with children in the area actually went up from 1970 to 1980. Things stayed pretty much the same through the 1980s."

It is worth noting that those same families, if they worked in an auto plant today as a part-time or temporary or low tier employee, would not be in this category. The wage packets of autoworkers before a series of rotten contracts imposed by the UAW likely would have.

When the collapse came, it was sudden and catastrophic. In the 2000s, Crary-St. Mary's "fell off an economic cliff," Mallach says. By 2015, the population had dropped by a quarter and poverty doubled to two out of five residents. At the same time people whose family income equaled over twice the poverty rate fell by over half. "By 2009, houses were selling for barely more than \$10,000. The number of empty houses tripled," he writes.

Along with its tepid reformism, Mallach's book suffers greatly from the use of a lens of race rather than a class perspective. For example, about Detroit he states, "I had stumbled onto the cities' dirty secret, something a Detroit friend described to me as 'the biggest problem nobody's talking about.' Yes, the revival was real—all the hype was more or less true. But it was only touching small parts of these cities. Most of the rest were at best treading water, and a lot were going downhill. And a big part of it was about race."

In fact, the conditions that exist in Detroit are the product of capitalism. The past 40 years have seen a steady assault on the social position of the working class in the US, of which the deplorable conditions in Detroit and other major former industrial centers are a sharp example.

However, for academics like Mallach, the issue of class is a taboo subject. It mirrors the promotion of identity politics by the Democratic Party to divide the working class and divert attention from the root cause of poverty and oppression of the working class, black and white, in the profit system.

That being said, the facts and figures presented in this book are an indictment of capitalism and the Democratic Party political establishment as well as the corporatist trade unions, which are responsible for this social disaster.

*The author also recommends*

Fifty Years Since the Detroit Rebellion

[21 July 2017]

Workers Inquiry Exposes political conspiracy in Detroit

[17 February 2014]



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