Poverty & Race

Vol. 25, No. 2 • April-June 2016

Postindustrial Cities and Urban Inequality

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In 2013, Carnegie Mellon University invited three hundred urban specialists from North America and Europe to Pittsburgh to discuss the future of postindustrial cities at the "Remaking Cities Congress." The Congress was held to promote the city's much-lauded "25-year transformation from an industrial economy to a knowledge economy," but it also marked the twenty-fifth anniversary of the similarly-named Remaking Cities Conference, which brought British and American planners and economic development officials to Pittsburgh in 1988 to discuss common problems facing their industrial centers. Their solutions pointed toward postindustrialism, which was by the time of the conference entrenched as an urban development model for North Atlantic manufacturing centers (Davis, 1988).

Popular narratives tend to portray the decline of basic industry and the regions in which that decline took place as a historical inevitability—an unfortunate by-product of natural business cycles and neutral market forces. But the story is not so simple. Growth coalitions composed of local political and business elites set out to actively create postindustrial places as public resources dwindled in the 1970s and 1980s. Postindustrialism included a pervasive ideology that privileged white-collar jobs and middle-class residents, as well as a set of pragmatic tactics designed to remake urban space, including financial incentives, branding campaigns, and physical redevelopment, typically carried out by public-private partnerships. Growth coalitions narrowly focused on creating the jobs, services, leisure activities, and cultural institutions that they believed would attract middle-class professionals back to central cities. They made harsh calculations about whose needs they would no longer meet, rather than seeking to better meet the needs of all residents.

In the U.S., public officials made decisions about how to allocate resources in a way that exacerbated inequality and sacrificed the well-being of large portions of urban populations in order to "save" cities.

From the vantage point of the 1980s, postindustrialism had looked to some like a rising tide that would lift all boats. Three decades later, the disparity embedded in postindustrial redevelopment models was indisputable. As manufacturing centers were transformed into postindustrial cities, they came to be characterized by an ever-deepening inequality among urban residents and uneven development within metropolitan areas. Pittsburgh's postindustrial transformation between the late 1960s and turn of the twenty-first century benefitted corporations and middle-class and elite residents, but the region's economic transition was not kind to blue-collar workers or the urban poor. Most of the mills were gone, and so were most of the people who had worked in them: many had long ago moved to find work, some had aged into government pensions, and still others had died. Several of Pittsburgh's mill towns remained as economically devastated under the Obama administration as they had been under Reagan.

Yet to the planners and public officials who attended the Remaking Cities Congress in 2013, Pittsburgh remained a potent symbol of postindustrial rebirth. To them, the city was a phoenix that rose from the ashes of the steel industry with a revived downtown; a lively cultural district; expansive university, medical, and technological complexes; and vibrant residential neighborhoods. The tension between boosters' urban visions and residents' interests came into sharp relief at Alan Mallach's Congress address. Mallach, a senior fellow at the National Housing Institute and the Center for American Progress, had participated in the 1988 Remaking Cities conference and returned in 2013 for the Congress. In contrast to 1988, he said, the pressing question for the twenty-first century was no longer whether manufacturing centers would survive—they had, and many had thrived. Instead, Mallach urged policymakers to ask, "for whom?" "We are not only creating a society with vast inequalities, we are institutionalizing these inequalities into the very fabric of American society," he argued. "That is part and parcel of the revitalization story. Can we somehow change [this] progressive institutionalization of inequality" (Mortice, 2013).

One way to imagine alternatives to what Mallach described as the "institutionalization of inequality" through urban revitalization schemes is to look beyond national borders. Postindustrialism was popular as a planning model throughout North America and Western Europe, but redevelopment looked different from city to city and nation to nation. In the U.S., public officials made decisions about how to allocate resources in a way that exacerbated inequality and sacrificed the well-being of large portions of urban

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populations in order to "save" cities. This was certainly the case in Pittsburgh, an international model for postindustrialism. But just across the border in Canada, growth coalitions with similar postindustrial ambitions worked to balance the needs of diverse constituents. Hamilton, Ontario, a steel town approximately 300 miles north of Pittsburgh and part of the same transnational Great Lakes region, provides a case in point. What accounted for different outcomes in cities that tried to implement the same kind of revitalization tactics? Which political and institutional factors mattered? And what lessons do the stories of post-industrial redevelopment in the 1970s and 1980s hold for cities today?

Different Contexts, Different Outcomes

In declining manufacturing centers in North America, the ability of local political and civic leaders to form partnerships that could provide a broad range of public subsidies for private development was key to postindustrialism. Such partnerships flourished in US cities like Pittsburgh in the 1950s and 1960s, but emerged more slowly in other parts of the world.

Canadian municipalities, for instance, were slow to adopt U.S.-style partnerships. Historically, Canadian urban policy emphasized collective over individual good, while a stronger culture of privatism in the United States meant that urban policy was more commonly designed to encourage private consumption and corporate gain. This was due in part to different constitutional understandings of property rights: in the United States, property rights lay with the individual, while in Canada, property rights were vested in the Crown. One result was that Canadian cities were comparatively more public than U.S. cities.

Growth coalitions composed of politicians and businessmen in Pittsburgh and Hamilton pursued similar postindustrial planning strategies, but though their objectives were the same, the outcomes of their activities were significantly different. National policy orientations and local politics shaped political and civic leaders' abilities to adopt redevelopment models that they believed would allow them to realize their goals. In Pittsburgh, entrepreneurial mayors and university presidents, corporate elites, state government officials, local foundations, and community development corporations formed a public-private partnership to pursue a shared vision for an expansive postindustrial transformation that was facilitated by state and federal policy. In Hamilton, municipal officials partnered instead with small business owners and the local Chamber of Commerce on an ad hoc basis to carry out limited development projects, and the city's growth coalition could not control the activities of urban planners to the same extent as its better-organized counterpart in Pittsburgh, where collaboration between political and business elites limited political contestation. Although Hamilton's municipal officials sought to reproduce Pittsburgh's partnership structure and its public subsidies for private developers, they were largely unsuccessful in achieving either goal because the province barred municipal financial incentives for private development. As Hamilton's public officials planned for a postindustrial future, they were also constrained by a provincial growth policy that required the city to remain a manufacturing center and by the continued presence of heavy industry near the downtown core.

In a striking example of the city's postindustrialism, the South Side's mill eventually became a mall.

The Pittsburgh Case

In 1944, Pittsburgh financier Richard King Mellon and the heads of the city's major corporations formed the Allegheny Conference on Community Development to revitalize the city after postwar reconversion. The Republican Allegheny Conference members worked with Democratic Mayor David Lawrence to direct the "Pittsburgh Renaissance," as the city's urban renewal program became known. This early example of a public-private partnership improved Pittsburgh's environmental conditions through smoke, pollution, and flood controls. The Allegheny Conference's corporate members built skyscrapers downtown, and city officials undertook massive slum clearance projects in African-American neighborhoods.

By the early 1970s, however, Pittsburgh was exemplary of the emerging Rust Belt—the city's infrastructure was collapsing, working-class neighborhoods were rundown, and waterfront industries were starting to close up shop. Seeing the writing on the wall, after becoming mayor of Pittsburgh in 1977, Richard Caliguiri announced that he would revive the city through a second Renaissance. Caliguiri pinned his hopes for Pittsburgh's post-steel future on new headquarters buildings, a cultural district, boutiques and restaurants, and high technology and service-sector jobs. To ensure that these things took shape, he provided a wide array of public incentives for private development.

Likely with community backlash to urban renewal programs in the 1960s in mind, Caliguiri wanted to both legitimate and help finance his post-industrial plans by working with neighborhood groups (primarily community development corporations, or CDCs); the University of Pittsburgh and Carnegie Mellon; and the foundation sector, especially those of the Mellon, Scaife, Heinz, and Hillman families. The Allegheny Conference did not wield the nearly unlimited power to control the physical development of the city in the last quarter of the twentieth century that it held in its 1950s heyday, but its influence remained significant. The CEOs who guided decisions about plant closures were also instrumental in determining the urban and economic development agenda of the city's growth coalition. By 1984, Caliguiri had used public funds to subsidize private investment in projects important to Allegheny Conference members, which included a convention center; commercial, hotel, and retail space; and new corporate headquarters for Allegheny International, Pittsburgh Plate Glass, and Mellon Bank. Together with earlier headquarters buildings for Westinghouse and U.S. Steel, the new construction ensured that skyscrapers rather than smokestacks dominated Pittsburgh's skyline and projected an urban form associated with a headquarters city rather than with a steel town.

CEOs were Caliguiri's most important partners, and downtown occupied most of his attention, but it was the inclusion of community development corporations that allowed Caliguiri to claim broad-based public support for the growth partnership's plans. In return, neighborhood organizations were able to influence and in some cases control development within their neighborhood boundaries. By the mid-1980s, the working-class neighborhoods adjacent to Pittsburgh's urban steel mills—the South Side and Hazelwood—were, like downtown, in the throes of a decades-long post-industrial rebirth. Led by the South Side Chamber of Commerce, business owners and arts organizations remade the working-class South Side as a regional destination for shopping, dining, and nightlife, and the young professionals that city officials and civic leaders were so desperate to attract flocked to the neighborhood for its historic character. In a striking example of the city's postindustrialism, the South Side's mill eventually became a mall—the literal transformation of a site of production into a site of consumption. Across the river in Hazelwood, on the site of the other urban steel mill, city and state officials laid the cornerstone for a high technology center—a joint initiative of the University of Pittsburgh and Carnegie Mellon—designed to signal Pittsburgh's postindustrial rebirth, and they congratulated themselves for transitioning Pittsburgh from the "steel age" to the "space age."

The Hamilton Case

Hamilton was a different story. Hamilton's city officials, too, were eager to implement a downtown urban renewal program in the early 1960s, but they did not do so through a public–private partnership like Pittsburgh's. In 1962, Vic Copps made downtown revitalization a central feature of his mayoral campaign. Within months of taking office, he made overtures to local businessmen and corporate leaders to ensure their cooperation with his redevelopment plans. Federal funding priorities, however, hindered his plans: in 1962, Canada only subsidized low- and moderate-income housing, not commercial development.

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For Copps, downtown and mill neighborhood redevelopment went hand-in-hand, and Copps had targeted Hamilton's North End, a working-class residential neighborhood adjacent to the harbor industrial area, for urban renewal. Planners wanted to restore the North End's once-grand Victorian homes to their former splendor, plotting out new housing, parks, community centers, and schools. They also planned a wholesale remaking of downtown around a new civic square. Pointing to back-to-the-city movements in Toronto and US cities, Hamilton's urban renewal commissioner expressed confidence that the North End, with its proximity to a revitalized downtown and the waterfront, would once again attract middle-class homeowners. "Give people a shopping center, cultural and institutional uses in the center of the city, and they'll move back in," he assured Hamiltonians (Coleman, 1969).

By the time the Canadian government amended its urban renewal legislation to include commercial development in 1964, Copps had established a congenial relationship with Hamilton's businessmen. Yet Hamilton's corporate and business leaders, unlike their Pittsburgh counterparts, were not particularly concerned with urban planning or economic development in the 1960s. This may have been in part because Ontario precluded local governments from offering wide-ranging economic incentives for industrial or commercial expansion, preferring instead to coordinate those activities at the provincial level. Copps also lacked a private-sector partner with the stature of Pittsburgh's Richard King Mellon or an Allegheny Conference-style civic organization with which to work.

When the first phase of Jackson Square, the civic square that was the centerpiece of Copps' urban renewal plans, was completed in 1977, it included services for a variety of constituents, including existing residents, hoped-for residents, suburbanites, and tourists. City officials and local businessmen expected the new leisure and cultural facilities to draw tourists away from Toronto. They also anticipated that a shopping center anchored by Eaton's department store would lure urban residents as well as suburban shoppers away from suburban malls. A new public library and relocated public market would largely serve Hamilton residents. For the city's growth coalition, three new office buildings signaled Hamilton's emerging importance as a commercial center.

Hamilton's public officials, like Pittsburgh's, spoke openly of a post-steel era by 1980: "We have got to diversify our economic base, we can't continue to rely on the steel industries," Regional Economic Development Director John Morand told the *Hamilton Spectator* in 1980. Morand

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promised Hamiltonians that the regional government was dedicated to changing Hamilton's position in Southern Ontario, stating, "there is a perception now that this community is on the move" (Toulin, 1980). Hamilton's elected officials and business leaders, however, lacked several of the elements that made Pittsburgh's postindustrial redevelopment successful. Most importantly, steel production flourished in the 1980s, even as automation allowed Stelco to eliminate blue-collar jobs. Provincial programs designed to promote research and development did not funnel public money for high technology through universities, as did those sponsored by the Commonwealth of Pennsylvania. Hamilton's location, a mere forty-five miles southwest of Toronto, made attracting a critical mass of corporate headquarters an untenable prospect. Thirty-five years after Hamilton's planners enshrined post-steel development strategies in the city's official plan, heavy industry continued to dominate the harbor, and Hamilton's conversion to postindustrial urban forms remained incomplete.

Lessons from Pittsburgh and Hamilton

Civic leaders and public officials in declining manufacturing centers shared common visions for postindustrial development, but Pittsburgh's and Hamilton's growth coalitions had disparate capacities to realize similar goals due to differences in the two cities' institutional frameworks, positions in their regional economies, participation of local business elites in planning processes, and approaches to meeting the needs of existing residents. Pittsburgh's growth coalition, which functioned in a federal, state, and local policy environment that promoted corporate welfare and fostered mayoral entrepreneurialism, increasingly understood local corporations as its most important constituency. Public officials and civic leaders replaced services that catered to existing residents with services for imagined new residents or a regional (and, in the case of financial services, national or international) clientele. Hamilton's leaders, too, imagined their steel town remade as a headquarters city, dominated by service- and finance-sector activities, but they were impeded by provincial policies that prevented the city government from providing the sort of corporate financial inducements that were essential to Pittsburgh's postwar downtown redevelopment. They were also constrained by provincial planning guidelines that consigned Hamilton to the position of a regional center in which commercial activity was supposed to support, rather than compete with, Toronto's role as Southern Ontario's finance and corporate center. One result was that, in contrast to Pittsburgh, Hamilton's growth coalition continued to accommodate the needs of the city's residential working class, even as it worked to create services that might attract new residents and suburban and regional clients.

The persistent inequality that has taken root in North America since the 1980s is not limited to Rust Belt cities, of course, but it is in former manufacturing centers where the depths of the problem may be the most visible.

A similar story played out in the neighborhoods surrounding the cities' urban steel mill. When the mills remained in service, Pittsburgh's growth coalition largely ignored the neighborhoods around them; when the mills shut down, city officials set out to erase evidence of the industrial past from the urban landscape. The South Side gentrified, and Hazelwood's residential and commercial areas declined even as the neighborhood's former mill site became a seminal site of Pittsburgh's high-tech transformation. In Hamilton, however, city officials and civic leaders remained committed to the steel industry in its reduced form and to the workers who remained.

In manufacturing centers in the throes of a postindustrial rebirth, like Pittsburgh and Hamilton, growth coalitions made hard choices about whose interests they intended to serve. They did so with little apparent anguish over the social costs to those neighborhoods and populations that did not receive increasingly scarce resources. Pittsburgh's elected officials and civic leaders were desperate to attract middle-class residents and white-collar jobs. Caliguiri and his private-sector partners cooperatively undertook large-scale projects designed to meet the needs of new, rather than existing, residents. In Hamilton, however, elected officials struggled in their persistent efforts to form a durable partnership with local business leaders. While this may have frustrated mayors with postindustrial ambitions, it meant that business leaders had exerted control over urban and economic development—business interests were merely one set among many which city officials felt compelled to address. Far more than in Pittsburgh, Hamilton's public officials continued to treat all residents as citizens with a right to a voice in the future of the city, rather than position corporate citizens as the only ones who mattered.

The stories of Pittsburgh and Hamilton highlight the primacy of local place in understanding how postindustrialism was worked out on the ground, but they also demonstrate why it is important to look at local cases in national and transnational contexts. Here, looking beyond national borders reveals that the vastly unequal outcomes embedded in the US model of postindustrialism, which has contributed to the urban inequality we see in major American cities today, was not the natural or inevitable result of market forces. A different set of politics can—and did—produce a different set of outcomes. Pittsburgh and Hamilton also help us think about how to assess the success or failure of postindustrial redevelopment models. In pursuing postindustrialism, Pittsburgh's local growth coalition chose to allocate resources in a way that exacerbated inequality and sacrificed the well-being of certain groups of residents in order to "save" the city. Yet from the perspective of mayors and civic leaders, Pittsburgh became—and remains today—an international model for postindustrial cities: it was a success story. By contrast, in Hamilton, postindustrialism was halting and incomplete. A more pluralistic political culture sustained competing claims from business elites and working-class residents, and public officials worked to accommodate the interests of both groups. Hamilton's mayors and civic leaders did not fully abandon social welfare goals in favor of corporate handouts, and its growth coalition sought to balance the needs of the residents they already had with the ones they hoped to attract. From the vantage point of the mid-1990s and the perspective of blue-collar workers and the urban poor, Hamilton's postindustrialism might have been the real success story.

By looking at Hamilton in the 1980s, then, we see possibilities for a more just and equitable distribution of resources, one that accommodated social and economic transitions without sacrificing certain types of residents. Even as growth coalitions sought to make postindustrial places, they did not neglect the interests of working class residents as did their counterparts in Pittsburgh. But more recent evidence suggests that as Canada became more like the US in the 1990s and 2000s, Hamilton's pluralism was unsustainable. Ontario Common Front (OCF), an organizing campaign against austerity and retrenchment founded in 2010 by the Ontario Federation of Labor and a coalition of ninety labor and community organizations, reported in 2012 that Ontario, among all Canadian provinces, had the fastest-growing rates of poverty and income inequality and spent the least on public programs and social services. The OCF blamed provincial and federal tax policies that privileged corporations and wealthy individuals over the commonweal (Ontario Common Front, 2012). Local leaders were pleased that Hamilton's unemployment rates were lower than provincial and national averages, but their statistics masked the fact that 30,000 of the city's half-million residents were part of the "working poor"—employed, but not earning enough to live without public assistance. A quarter of Hamilton's children and almost half of its recent immigrants lived below the poverty line (Mayo and Pike, 2013).

In Pennsylvania, income gaps widened even as the state's economy grew in the 1990s and early 2000s. There, as elsewhere in the United States, the incomes of the wealthy rose while middle-class incomes and those of the working poor stagnated or fell. Between 1979 and 2013, productivity in Pennsylvania increased by 61 percent while wages languished. Over the same period, median wages increased only once, between 1995 and 2000. In 2010, nearly a quarter-million residents of the Pittsburgh metropolitan area lived below the poverty line, though the region's 12 percent poverty rate was three points lower than that for the United States as a whole. Poverty rates and unemployment levels, as they had been in the 1980s, were higher outside the city limits than within them and higher for African Americans than for whites. After the 2008 recession, Pittsburgh had the highest rate of poverty among working-age African Americans in the forty largest metropolitan areas in the United States, and more than 25 percent of the region's African Americans lived below the poverty line (Price, Herzenberg and Neumann, 2013). The persistent inequality that has taken root in North America since the 1980s is not limited to Rust Belt cities, of course, but it is in former manufacturing centers where the depths of the problem may be the most visible. These lessons are just as relevant today as they were two decades ago: as plant shutdowns continue in North America and Western Europe, and are getting started in Asia, workers whose skills do not match the high-technology, high-finance "new economy" are increasingly shut out of jobs with living wages and benefits and pushed toward persistent unemployment or poorly compensated service-sector positions. ❑

Resources: Postindustrial Cities

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