URBAN FORTUNES
THE POLITICAL ECONOMY OF PLACE

John R. Logan
Harvey L. Molotch

UNIVERSITY OF CALIFORNIA PRESS
Berkeley  Los Angeles  London
Contents

Preface vii

1 The Social Construction of Cities 1

2 Places as Commodities 17

3 The City as a Growth Machine 50

4 Homes: Exchange and Sentiment in the Neighborhood 99

5 How Government Matters 147

6 Overcoming Resistance to Value-free Development 200

7 The Dependent Future 248

References 297

Name Index 365

Subject Index 375
1

The Social Construction of Cities

The earth below, the roof above, and the walls around make up a special sort of commodity: a place to be bought and sold, rented and leased, as well as used for making a life. At least in the United States, this is the standing of place in legal statutes and in ordinary people’s imaginations. Places can (and should) be the basis not only for carrying on a life but also for exchange in a market. We consider this commodification of place fundamental to urban life and necessary in any urban analysis of market societies.

Yet in contrast to the way neoclassical economists (and their followers in sociology) have undertaken the task of understanding the property commodity, we focus on how markets work as social phenomena. Markets are not mere meetings between producers and consumers, whose relations are ordered by the impersonal "laws" of supply and demand. For us, the fundamental attributes of all commodities, but particularly of land and buildings, are the social contexts through which they are used and exchanged. Any given piece of real estate has both a use value and an exchange value.¹ An apartment building, for example, provides a "home" for residents (use value) while at the same time generating rent for

---

¹ We derive the distinction between use and exchange values from Marx’s original formulation, as clarified through David Harvey’s (1973, 1982) writings.
the owners (exchange value). Individuals and groups differ on which aspect (use or exchange) is most crucial to their own lives. For some, places represent residence or production site; for others, places represent a commodity for buying, selling, or renting to somebody else. The sharpest contrast (and the most important in this book) is between residents, who use place to satisfy essential needs of life, and entrepreneurs, who strive for financial return, ordinarily achieved by intensifying the use to which their property is put.

The pursuit of exchange values in the city does not necessarily result in the maximization of use values for others. Indeed, the simultaneous push for both goals is inherently contradictory and a continuing source of tension, conflict, and irrational settlements. This book explores the conflict between use and exchange values in cities, enumerates and examines the forms of this contradiction, and analyzes how it is ordinarily managed. In our view, this conflict closely determines the shape of the city, the distribution of people, and the way they live together. Similarly, in light of this tension we can better understand the political dynamics of cities and regions and discover how inequalities in and between places—a stratification of place as well as of individuals and groups—are established and maintained.

This method of analysis is particularly appropriate to the urban system in the United States, a country that is unusual, even among Western industrial societies, in the extent to which places are the sites of struggles over use and exchange goals. The United States, as Harvey (1982:346) observes, “is the one country in which land, from the very beginning, was treated in a manner that came closest to that dictated by purely capitalistic considerations.” The chronic protests of entrepreneurs notwithstanding, the numerous layers of the American government do relatively little to interfere with the commercial manipulation of land and buildings. This extreme commodification of place touches the lives of all and influences virtually every cultural, economic, and political institution that operates on the urban scene.

There is another distinguishing characteristic of the U.S. market environment. Local officials have extensive authority and fiscal responsibility for land use, revenues, and levels of urban services. This autonomy together with the enforced self-sufficiency of localities raises the stakes for an individual “choosing” a place to live or invest in, as well as what rides on local decision-making. Life chances of all sorts, including the ability to make money from property, are significantly determined by what goes on at the local level. The tools of place manipulation are within reach (or at least appear to be), and this motivates individuals and groups to pursue their interests at the local level, particularly by influencing local government. The ensuing conflict between those seeking gain from exchange values and those from use values is by no means a symmetrical one, for differently equipped contenders mobilize their individual, organizational, and class resources on behalf of place-related goals. The ability to manipulate place successfully, including altering the standing of one place compared to that of another, is linked to an individual’s location in the stratification system generally. The two systems of stratification (place and individual) thus penetrate one another.

Although these conditions make U.S. cities an appropriate focus for a study of the social nature of markets in land and buildings, our analysis applies to other societies to the degree that they approximate the U.S. situation of private real estate markets and local government autonomy. Virtually all market societies bear some resemblance to the U.S. case, but all also vary in ways that may make our conclusions fit only more or less closely. Nevertheless, we offer the basic hypothesis that all capitalist places are the creations of activists who push hard to alter how markets function, how prices are set, and how lives are affected. Our present goal is to learn how this is done in the United States, specifying the roles various social groups and institutions play.

In making this our central urban question, we draw upon much previous research and analysis from diverse intellectual traditions. We rely heavily upon the steady stream of recent advances in neo-Marxian political economy (from sociologists, economists, geographers, political scientists, and planners) but extensively use more traditional materials in human ecology and community studies as well. We do not conceive of this book as either a summary

2. Unlike traditional geographers who blandly treat “locational conflicts” as essentially technical difficulties, Cox (1981), like ourselves, traces them to a “commodification” of the communal living space, which pits residents against property entrepreneurs over issues of land development and finance.
or a synthesis, although there are elements of both. Rather, we use what we need from a number of traditions to explain the city as a meeting ground of use and exchange values. In making the case for an interest-driven social construction of cities, our aim is not to negate the results of other approaches but to draw upon them as the basis for a new way of conducting an urban sociology.

In the remainder of this chapter, we clarify how our approach differs from the two main traditions that have influenced our thinking. We then present the substance of our argument and indicate how we will provide, chapter by chapter, evidence for and elaboration of our central argument.

**Human Ecology and Its Successors**

The centrality of markets and the assumption of a free market system have been major elements in the reasoning of urban social science since it first began (Thomlinson, 1969:129), although this is usually not explicitly acknowledged. As sociologists, we are most familiar with the Chicago school of human ecology, a school of thought so deeply immersed in free market reasoning that its practitioners seem not to have been aware that there was even an alternate approach. Perhaps because of this reliance on a closed set of market assumptions, the human ecology school maintained a theoretical consistency enjoyed by few other schools within social science. This distinctive perspective has been expertly exploited over several generations, yielding hundreds of studies, theoretical refinements, and policy recommendations. Most important, and the precedent we strive to emulate in this book, the Chicago school of human ecology actually possessed a "real object" (Castells, 1976:73) and a research strategy that distinguished it from other social science approaches.

In human ecology, spatial relations are the analytical basis for understanding urban systems, including the physical shape of cities, relations among people, and economic and social relations between urban areas. Regardless of the degree to which this spatial emphasis caused so much to be left "behind in the dust" (Michelson, 1976:3), the ecology school did impose a worthwhile discipline on the topic. Within the human ecology framework, urban sociology cannot be expanded to the study of all phenomena found in the city (which is virtually all phenomena). Human ecology provided a theory, a focus on the subject matter, and an agenda for ordering research priorities.

The Chicago ecologists explained urban development through a "biotic" determinism. Like all other living things, human beings must first find a spatial niche in the larger habitat. This gives rise to a struggle, benignly competitive in the ecologists' formulation, in which each type of land user ends up in the location to which the user is best adapted. In a social Darwinism of space, the geographical allocation of human types maximizes efficiency for the community as a whole. The biggest bank naturally gains access to a site in the center of town because that's the point from which it can most efficiently serve its customers, who are located everywhere around it. An auto repair garage is appropriately displaced to a less crucial spot on the periphery. The bank and garage are not at war with one another, but are linked through symbiotic competition. Just as the mighty redwood tree does not wantonly "exploit" the ferns that live in the shade it provides, the dominant and less dominant within the human ecological community are mutually adaptive, contributing to the sustenance of the total habitat (see Hawley, 1950:66–68). Each subarea takes on its own character stemming from the kind of role (for example, banking center or rooming house district) it best plays.

In contrast to other species whose behaviors are genetically fixed, human beings have an equilibrating force in the property market and its price system. Although the ecological theorists did not make detailed statements about their market assumptions, their formulations necessarily assume free competition for space among users, resolved according to the relative desirability of particular locations and the buying power of competing land users. The "supplies" consist of land and buildings, which entrepreneurs add to the market in proportion to consumers' demand. Both buyers and sellers are autonomous individuals: Property entrepreneurs try to satisfy space needs of consumers, and consumers "vote" their preferences by choosing among products as their taste dictates, always free to substitute one product for another if price, quality, or utility should change. In good market fashion, buyers use their money to bid up the price of the most useful properties,
which, because of their high cost, then go to the “fittest” of consumers.

We thus end up in the ecological perspective with a “hidden hand” that secures the greatest good for the greatest number as a natural outcome of the market mechanism. In the world of human beings, money reflects fitness for dominance and provides the access to a given niche; price reflects the inherent desirability of a particular piece of property to those who can put it to the “best” use. High prices “signal” producers to mark out new land and create buildings to meet additional needs; consumers follow the same signals in determining where to live or set up shop. The market, in a biological metaphor, shapes the urban landscape and, because of the social adaptations it demands, determines the relations of people within the city.

The result is an optimal ordering of human settlement, in which the only real interests are the shared ones of keeping the market system functioning smoothly. Inequality is inevitable, but benign. In Park’s words (1952:161), “the process results in the regulation of numbers, the distribution of vocations, putting every individual and every race into the particular niche where it will meet the least competition and contribute most to the life of the community.” For the prominent ecologist Amos Hawley, inequality among places is even more explicitly construed as a natural consequence of differentiation. “A hierarchy of power relations emerges among differentiated (geographic) units . . . inequality is an inevitable accompaniment of functional differentiation. Certain functions are by their nature more influential than others; they are strategically placed in the division of labor and thus impinge directly upon a larger number of other functions . . . functional differentiation necessitates a (geographic) centralization of control” (Hawley, 1950:221).

Like differences within cities, differences between cities are based on a functional symbiosis that distributes growth and development across nations and world regions (Bogue, 1951, 1971; Duncan et al., 1960). Cities thus grow because they are able to make a positive contribution in the larger system of cities. Successful cities have special advantages like a deep water port (New York City) or a centrality and therefore easy access to markets and raw materials (Chicago). New York thus becomes the U.S. center of world trade, Chicago the meatpacking capital of America. Extensive lists of such attributes, primarily physical advantages, are used to claim ecological superiority and to explain the consequent urban growth (see White and Foshee, 1964).

Dominance both within and between places thus follows necessarily from the inherent differences among places and sustains efficiency of the system, an efficiency that follows more or less automatically. Hawley relegates politics to the role of maintaining the market mechanism.3 As Mingione (1981:64) remarks on ecologists generally, they avoid “any connection between urban social structures and the general class structure of society, and between the urbanization process and the capital accumulation process.”4 There is nothing essentially problematic in the view that, as Park and Burgess (1921:712) put it, “the modern city . . . is primarily a convenience of commerce and it owes its existence to the marketplace around which it sprang up.”5

Besides their impact within sociology, the basic precepts of the Chicago school of human ecology live on in other fields. The Chicago school had been stimulated by, and helped to foster, complementary intellectual programs in urban economics and urban geography.6 Indeed, unencumbered by the constraints imposed by close observation of the real behavior of human beings, these spe-

3. On this point see the criticisms made by Alhok (1938), Hollingshead (1947), and Firey (1945). Zorbaugh ([1926] 1961) specifically discounted the sociological relevance of what he called administrative areas. Not all the Chicago ecologists excluded political factors. McKenzie ([1926] 1961), in fact, counted "political and administrative measures" among the "ecological factors" that shape the spatial relations among persons. Elsewhere McKenzie (1933:158-70) explicitly considered the competition among cities for favorable positions in an increasingly interdependent system of cities and such phenomena as local boosterism and conflicts over federal tax and expenditure policies. Yet even McKenzie was primarily interested in the economic forces leading toward system integration, seeing political competition as a subsidiary phenomenon. As a rule, human ecologists have failed to see geopolitical units as representing vested interests.

4. In Mingione's formulation (1981:21), "a) territory is a map of social relations of production because it is fundamental to all those relationships; b) territory is itself a means of production c) territory is a consumer good in short supply."


6. There is the pioneering work of von Thunen (1826) and Christaller (1933), through the more modern formulations of Alonso (1964), and Muth (1969). Such doctrines as central place theory, rank-size rules, the self-driven dynamics of agglomeration economies, the bid-rent curve, and the hierarchy of urban places share the free market economic determinism implicit in the ecological model.
cialities could go on to achieve especially impressive technical refinement and logical consistency. They retain, indeed reify, a vision of place as market-ordered space, to which human activity responds.

Beyond the assumption that humans are individualistic strivers, scholars in these fields have no interest in either entrepreneurs or place users as social actors. Entrepreneurs merely compete with one another to provide place products, the price of which is determined by buyers seeking to maximize their own individual efficiencies. Price itself is analytically interesting only because it indicates an equilibrium outcome; price measures real value of one place compared to another and is a handy reflection of the efficiencies of location. By reading the price of parcels, one gains the crucial information of the urban social system.

Many social scientists have not accepted such assumptions, whether expressed in the economists' terminology we have just used or in the biotic language of the ecologists. A minority of economists—"institutional economists"—have insisted that social organization routinely interferes with market functioning and must be treated as an empirical problem (Clawson, 1972). Many sociologists, even those with close ties to the ecologists, wince at the determinism that excludes human volition, cultural folkways, and political activities as real factors in human affairs (see Alihan, 1938). Much work has been done in urban sociology, particularly "community studies," with little or no reference to the ecological framework.

Indeed, the shortcomings of the ecology school seem to have given sociologists license to study almost anything taking place in the city and to call it urban sociology. After dismissing the spatial determinism and market assumptions of the ecologists, these sociologists have offered no clear alternative for an analytical discipline. As long as it had a city address, the urban research topic could be poor families or rich ones, a halfway house or a dance hall. Subjects like juvenile delinquency, poverty, or mental illness were all "urban." In our terminology, there was anecdotal preoccupation with the struggle among those striving for use values, largely without systematic attention to the exchange value context. To be sure, there were certain recurrent themes (like whether or not urban conditions "depersonalize" human interaction) to be

tested in a hundred different places at a hundred different times (see Hauser, 1967; Fischer, 1984:25–28 passim). But these were, at best, hypotheses within a topic, not the boundary of a field or the basis for an intellectual agenda. In the 1960s, when a new era of political reform demanded an urban studies "relevant" to the "urban crisis," virtually any question having to do with race, ethnicity, social class, deprivation, or human handicap was subsumed by the fashionable field of urban studies.

Our goal is to avoid this topical wandering, even while acknowledging that people and their institutions do "count." We can do this by doing more than noticing that the market-driven schools like ecology have "left out" human culture. The real flaw of such schools is that they ignore that markets themselves are the result of cultures; markets are bound up with human interests in wealth, power, and affection. Markets work through such interests and the institutions that are derived from and sustain them. These human forces organize how markets will work, what prices will be, as well as the behavioral response to prices.

People draw upon their emotional and social resources to build lives and develop entrepreneurial schemes around the opportunities available to them in a particular place. In brief, price is sociological and sociology is needed to analyze its determination as well as its consequence. By showing, in effect, how social factors shape prices of places and humans' response to those prices, we can understand the physical and social shape of cities. We will continue to study land "markets," retaining thereby the "real object" of the ecologists, but we will throw out the limiting and untenable assumptions about how those markets operate. Whereas the key behavioral assumption of economist thinking is that people are inherently individualistic with aggregate efficiency following as a result, our behavioral assumption is that people tend, in their market behavior as everywhere else, toward coalition and organization. It is the efficiency of results that is open and problematic.

Put still another way, we see places as vital units, not goods on a rack. Both property entrepreneurs and residents make great efforts, often organized ones, to guarantee that various kinds of production and consumption occur in one place and that other activities occur in another place. Among the consequences of these
efforts are changes in prices, which then lead to still more social effects in other realms. Geographical communities are not mere containers of activities, some of which happen to have price results or respond to price cues. Rather, community is accomplished through concrete, practical activities of individuals (see Romes, forthcoming), who, regardless of where they live, work, or invest, see place as the vehicle for meeting significant needs. In the pre-scient words of William Form (1954:317), there is active manipulation of place itself through “the institutional pressures which maintain the ecological order.”

The Marxian Approach to the City

Marx gave relatively little attention to space as an analytical problem (Qadeer, 1981:176) and treated the owners of real estate as an essentially reactionary residue of a disappearing feudal order. Marx appears, in his writing, to be “extraordinarily reluctant to admit of any positive role for the landlord under capitalism” (Harvey, 1982:331). Contemporary Marxian scholars have thus applied the more general Marxian framework to urban issues, using the productive system—the accumulation process—as their primary explanatory apparatus. Thus, in throwing out the economistic assumptions of optimizing markets, the neo-Marxians have tended toward their own set of limiting assumptions. Whereas for the ecologists the city results from a happy market equilibrium, for the Marxians it is a dismal consequence of the logic of capital accumulation. In the ecological formulation, urban people are little more than various species of land users; for the Marxians, residents are “labor” whose urban role is to be “reproduced” as a factor of production. Whatever exists in the urban realm, as in any other, must be there because it serves the exploitation of workers by capitalists. Under such reasoning, for example, suburbia developed merely to provide capital with a new realm in which to invest and to stimulate additional demand for consumer goods. This verges on a Marxian version of functionalism, a “fudging” (Giddens, 1984a) that avoids working through how human activities actually give social structures their reality.

David Harvey, the most important of the Marxian urban scholars and the author of much work that has inspired our own, has sometimes generalized in ways that would seem to cut off a great deal of useful thinking and research. Harvey writes (1976:289, as quoted in Domhoff, forthcoming):

Conflicts in the living space are, we can conclude, reflections of the underlying tension between capital and labor. Appropriators and the construction faction mediate the forms of conflict—they stand between capital and labor and thereby shield the real source of tension from view. The surface appearance of conflicts around the built environment—the struggles against the landlord or against urban renewal—conceals a hidden essence that is nothing more [our emphasis] than the struggle between capital and labor.

Similarly, another important Marxian writer, Richard Walker (1981:385), even as he discusses use values, defines the problem as a need to understand how the city is “constructed and continually reconstituted to assure the reproduction of capital (accumulation) and capitalist social relations (holding class struggle in check).”

The topics of an urban sociology come dangerously close to merging with Marxian political economy, generally, and the analytical exercises become as predictable as those carried out by economist market theorists.7 Once again, the “real object” of an urban sociology may be lost as analysis of all phenomena fixes on the accumulation process. The only actors who matter, if any actors matter at all, are the corporate capitalists, whose control of the means of production appears to make them, for all practical purposes, invincible.

Much of our work tries to show how human activism is a force in cities. We strive to follow a more recent dictum of David Harvey in which, though rejecting the ecologists’ treatment of “geometric properties of spatial patterns as fundamental,” he ac-

7. The parallel between ecological and Marxist thinking was acknowledged by Castells, who argued in The Urban Question that the results obtained by ecology have more value for the establishing of a theory of space than a mass of sociocultural correlations, for they reflect this primary determination by the productive forces and the relations of production that stem from them (Castells, 1979:122–23).
knowledges the "opposite danger" of seeing "spatial organization as a mere reflection of the processes of accumulation and class reproduction." We also try to "steer a middle course" and "view location as a fundamental material attribute of human activity but recognize that location is socially produced" (Harvey, 1982:374; see also Duncan, 1961). 8

To carry out this effort, we give primary attention to the strategies, schemes, and needs of human agents and their institutions at the local level. People dreaming, planning, and organizing themselves to make money from property are the agents through which accumulation does its work at the level of the urban place. Social groups that push against these manipulations embody human strivings for affection, community, and sheer physical survival. The boundaries of our urban sociology are drawn around the meeting place (geographical and analytical) of these two struggles.

Our focus on parochial actors is not meant to slight the obviously crucial linkages between these local urban phenomena, on the one hand, and cosmopolitan political and economic forces, on the other. 9 But for the sake of manageability, our urban sociology must focus on the local manifestations of those linkages. Then, however, analysis should work "outward" toward macro concerns of world systems theorists, as well as "inward" toward micro psychic understandings, since both feed into, and are shaped by, activities at the land-use nexus. Our focal point is always the meeting of use and exchange values on the urban ground, which then directs how the inward and outward investigations should proceed.

8. Our view closely corresponds to Storper and Walker's (1983) conception of "structural realism." A model of employment, in their terms, "involves both underlying 'structural' relations and their logic, of which the human actors are largely unaware, and human agency and contingent circumstances. ... Together, structures and agency/contingency generate the actual events of everyday life. Such a conception necessarily includes the flow of history, indeterminate (non-predictable) outcomes, and contradictory outcomes, including those so severe as to threaten the reproduction of either the actors or the social system itself." This approach is akin to Giddens's (1984b) conception of "structuration" as a call to end the dualism in which social structure and human action are juxtaposed as different "things."

9. Thus we cannot abide the happy populism that seems to characterize Castells's (1983) recent work because it seems oblivious to the structures through which social action receives its challenges (see Molotch, 1984).

The Building of Cities

The chapters that follow are an effort to construct a sociology of cities on the basis of a sociology of urban property relations. Chapter 2 presents our perspective on the markets of places, emphasizing the ways in which the sociological qualities of real estate make conventional market reasoning especially inappropriate for understanding how social relations are ordered around it. We identify people and organizations with interests in places and how those interests affect use and exchange values. We emphasize the ongoing effort of place entrepreneurs to increase local rents by attracting investment to their sites, regardless of the effects this may have on urban residents. We argue that these strivings for exchange value create a competition among place entrepreneurs to meet the preferences of capital investors. This is our way of showing how local actors link parochial settings with cosmopolitan interests, making places safe for development. It is a system, we indicate, that stratifies places according to the ease with which they can attract capital—a stratification that then alters the life chances of local individuals and groups. The remainder of the book is devoted to more detailed and empirically based elaborations of these themes.

In chapter 3 we argue that the pursuit of exchange values so permeates the life of localities that cities become organized as enterprises devoted to the increase of aggregate rent levels through the intensification of land use. The city becomes, in effect, a "growth machine." The growth ethic pervades virtually all aspects of local life, including the political system, the agenda for economic development, and even cultural organizations like baseball teams and museums. Moving beyond previous analyses (Molotch, 1967, 1976, 1979), we argue that these growth machines are historical, dating from frontier America, but take different forms and have different impacts depending upon time and context. Although growth is often portrayed as beneficial to all residents of all places, in reality the advantages and disadvantages of growth are unevenly distributed. The nature of the growth machine, including its tactics, organization, and effects on local populations, has been little investigated by students of community power, and we therefore sketch a picture of growth machines in action.
How neighborhood life is affected by and in turn affects the growth system is analyzed in chapter 4. Neighborhood stability, we argue, is dependent on an area's strategic utility to the growth machine apparatus. Neighborhoods whose obliteration would better serve growth goals are subject to the strongest pressure; unless their residents and organizations are high enough in the hierarchies of power to resist, neighborhoods are sacrificed to the growth goal. Such neighborhood attributes as the mode of interpersonal supports, the presence or absence of an indigenous business class, and race and racism also help shape specific outcomes.

In chapter 5 we evaluate the ways government, at various levels, has intervened in the distribution of use and exchange values. In contrast to the use value rhetoric that regularly cloaks government policy making, the policies themselves routinely bolster exchange gains for the powerful. In zoning, planning, environmental protection, and, more broadly, national urban policies, the overall thrust of urban programs has been to bolster development and rents, and rarely to enhance use values. Even in the case of suburban local government, often portrayed as the bastion of "local control," the development process is dominated by the search for rent and profit with the very creation of suburbs guided by such goals. The result is a patchwork of governmental jurisdictions that appears to reflect urban chaos, but actually organizes inequalities among jurisdictions and their residents.

New tensions are emerging in the growth machine system, and in chapter 6 we investigate these and other signs that the well-worked-out mechanisms for integrating residents, entrepreneurs, and capital may be faltering. In particular, instances of use value revolt, primarily in the form of environmental movements, are potential threats to rents and capital mobility. At the same time, new modes of linking locality to the needs of capital seem to be emerging, such as a tendency for corporate officials to participate more directly in both the real estate business and local politics.

Finally, in chapter 7 we describe changes in the macroeconomic system that are increasingly impinging upon localities, including upon the struggles for use and exchange values going on within them. New sorts of cities, distinguished by their specialized role in the international economic system, are giving rise to distinctive relations among their component social groups. As cities are increasingly altered by forces outside local boundaries, there are new challenges for residents straining to gain a degree of control over local processes of development. We argue that neighborhood parochialism will have to be supplanted by a broader vision of how the system of places works, and how intelligent action in one place can complement (but not necessarily replicate) actions in others.

These are our themes and their order of presentation. To the extent possible, we have tried to muster empirical evidence for our points, sometimes utilizing illustrative detail and in other instances relying on more fully developed research programs. Because we try to trace an argument through analytical levels and in a way that makes sense overall, our evidence is not always as deep or as complete as we would have liked. Our way of formulating urban problems has not been widely followed among social scientists and for that reason we have had to rely upon research materials generated by those with agendas different from our own. But in the holes and troughs in our evidentiary base, there is an opportunity for new work, by ourselves and by others as well.

Although we are seldom explicit about it, we are also describing a program for the American community, comparable to more frequently pronounced national strategies on such issues as defense, economic development, and industrial policy. Local communities are both the site of people's life gratifications and the only arena in which most citizens can take any meaningful action. We hope that the ideas and evidence contained in this book can help, however indirectly, to clarify how and why localities matter, and embolden people to take more informed and effective actions on behalf of the lives they collectively lead.
tant to the Viennese than to the residents of Carmel, California, and in the same way the preferred trade-offs in population size will vary. On more prosaic grounds, certain places may need additional population to absorb the costs of existing road and sewer systems, however misguided the initial commitment to build them. People in some small towns may want a population increase in order to make rudimentary specialization possible in their public school system. In other instances, a past history of outmigration may have left behind a surplus of unused capacities, which would easily accommodate additional growth and provide public benefits of various sorts.

These variations notwithstanding, the evidence on fiscal health and economic or social problems indicates clearly that the assumptions of value-free development are false. In many cases, probably in most, additional local growth under current arrangements is a transfer of wealth and life chances from the general public to the rentier groups and their associates. Use values of a majority are sacrificed for the exchange gains of the few. To question the wisdom of growth for any specific locality is to threaten a benefit transfer and the interests of those who gain from it.

The push for growth and rents is not the only force on the urban scene; there are also efforts, individual and collective, to enhance use values. The two processes together determine the patterns of neighborhood life—the ways in which people grow up, live, and die, interconnect with one another, and defend (or offend) the places in which they live. “Sentiment” is indeed at work in structuring the city, but this sentiment is “refracted” (Storper and Walker, 1983:25) through a larger system of material production and manipulation of rents. People’s feelings about their daily round, their psychological attachments to place, and their neighborhood ethnic solidarities are very real to them, but these feelings are bound up with forces originating outside residents’ immediate milieus, far beyond the social and geographical boundaries of their routines. Sentiment and structure cohere in various ways in “generating the actual events of everyday life” (Storper and Walker, 1983:27), in different places at different times. The city is a setting for the achievement of both exchange values and use values; and the neighborhood is the meeting place of the two forces, where each resident faces the challenge of making a life on a real estate commodity. From the point of view of residents, the creation and defense of the use values of neighborhood is the central urban question, and it is our topic in this chapter.
The Residual Neighborhood

Within the Marxian framework, neighborhood is essentially a residual phenomenon (Molotch, 1979). Since it is merely a site for the reproduction of labor (see Castells, 1976; Lamarche, 1976)—that is, for the daily sustenance of the working class—the neighborhood receives its shape and qualities from the dynamics of the accumulation process. The locations of neighborhoods and the goings-on within them are consequences of the needs of accumulation; accumulation is not, for example, a consequence of the location of the neighborhood. The needs of production come first.

Such notions of the residual quality of neighborhoods and the primacy of the production apparatus were also among the assumptions of the Chicago ecologists. Knowledge of neighborhood life could be derived from the subsocial, “biotic” level of reality. For Ernest W. Burgess, Homer Hoyt, Robert E. Park, and many of their followers in neo-Chicago location theory, the land commodity market allocates to the most strategic locations those uses most critical to the basic economy. These strategic locations are not going to be the residential areas of ordinary people, who find their "niches" in the interstices between more dominant uses.

It followed, therefore, in the classic Burgess concentric-zone model, that the “zone of transition” (in part, a neighborhood of last resort for the otherwise homeless) would naturally be "invaded" by business district expansion, just as the next ring (workingmen’s homes) would then be replaced by the mixed uses of the former zone of transition. To this day, even in most instances of officially planned land use, such as programs of urban renewal and redevelopment, contemporary planning professionals assume that these zones of transition are crying out for the same sort of “higher and better uses” of the next transition.

More culturally oriented social scientists, some working at the same time and place as the Chicago ecologists, were also in search of general urban laws; they still chose, however, to derive their propositions from ecological foundations. In Louis Wirth’s celebrated formulation of “urbanism as a way of life,” inherited folkways of more traditional social orders give way, in the face of “numbers, density, and heterogeneity,” to more bureaucratic and formalistic modes of interpersonal relations. It is a vision of “community lost” (Wellman, 1979) under the press of demographic circumstance. The urban *gemeinschaft*, in which immediate locality is the basis of spiritual as well as material sustenance, is replaced by the community of limited liability (Janowitz, 1951). Neighborhood becomes only one of a number of bases for managing daily life—alongside the job, school, and extended kin groups located elsewhere. The result is a decrease in personal investment in, and in vulnerability to, locality—a limiting of liability that parallels the limiting of interpersonal commitment characteristic of the impersonal, *gesellschaft* social order generally. The city becomes an arena for the blase individualistic strivings of its residents. It is essentially a container (at most a “crucible”), a function that complements the general patterns of social and geographical mobility that urbanism and modernity imply. In its boldest form, the classical position holds that a quality of urbanism itself, rather than nineteenth-century American capitalism or class structure, for example, leads to a universal form of modern life. But this is an inadequate theoretical basis for explaining why, for example, working-class Italian-American homeowners live one way, barrio Chicanos live another, and affluent professionals live still another.

Although Marxian scholars have given less attention to neighborhood life, they have also assumed a homogeneity among almost all neighborhoods, regardless of race, ethnicity, or location. At least for the great mass of working people, alienation from the productive apparatus colors their lives with one another and provides little basis for neighborhood variation. In a more recent variant, Marxian scholars argue that residents’ shared dependence on the same urban services and other forms of collective consumption generate similar dynamics throughout neighborhoods (Castells, 1979, 1983).

Despite all the efforts at theorizing a general law, empirically based community studies have continuously exposed a variety of cultural patterns that directly challenge monolithic views. Beginning with Wirth’s important contribution (1928) and the classic ethnographies of the pre—World War II period, the tenacity of neighborhood sentiment and its rich varieties have been apprecia-
tively recorded. Gans (1962) found in the late 1950s Italian inner-city residents very much tied to their neighborhood in a manner akin to a village culture. Even in suburban Levittown, whose residents were far less folklike in their observable ties to turf, Gans found at least the potential for “an intense identification with the community” that might have arisen “should something have threatened the community as a whole” (Gans, 1967). Scholars have numerous opportunities in contemporary settings to witness expressions of intense place identification: when routines are disrupted by school busing (Rubin, 1972), zoning changes (Rudel, 1983), oil spills (Molotch, 1970), toxic leaks (Levine, 1982), or other threats to residential tenancy (Fried and Gleicher, 1961; Trillin, 1979). Though only part of the story, residential place has meaning and significance for people and they act, sometimes passionately, on that meaning.

One concrete empirical observation runs counter to our concern for neighborhood: the high rate of residential mobility characteristic of urban residents. Seventeen percent of the U.S. population changes residence each year (U.S. Bureau of the Census, 1983a). But again, this mobility may not be intrinsic to urbanism, but instead contingent on the market mechanisms that induce, or coerce, mobility. The rootless “organization man,” as a general personality description, may be a similarly misleading characterization.

The data supporting the main observation need to be examined more closely. Although there are a lot of moves each year, there are fewer movers. Certain kinds of people move a lot, in particular, young adults, who have approximately a 50 percent higher mobility rate than people over thirty-five.¹ Further, most people who do move look for housing near the place where they live. Over the 1975–1980 five-year census period, only 20 percent of Americans moved to a different county. A random sample of movers drawn from a University of Michigan panel study concluded that “movement across jurisdictional boundaries even within the same SMSA [standard metropolitan statistical area] is relatively rare” (Newman and Owen, 1980). Research by the National Insti-

tute for Advanced Studies on those displaced from a San Francisco neighborhood found that almost half moved to another house within either the same or an adjacent planning district, and only 9 percent moved to another city (see Schill and Nathan, 1983). There is thus substantial residential stability in the United States, and this is especially true among certain age groups. Less than 5.0 percent of those over 65 move each year; for the 45 to 64 age group, only 7.7 percent move. Those between 35 and 44 have a 13 percent annual mobility rate. And within all these groups, a good number are people who move only reluctantly, clinging to their place almost for dear life.

The specific meaning residents give to place is shaped by the ways they use the material and social resources at hand to make their daily round. Ethnic identity, inherited folkways, or more modern moral codes can, depending on the specific neighborhood, group within it, and historical time, be the appropriate tools for survival. Given the wide variety of possible urban circumstances, the lives of urban peoples must come to differ. Even neighborhoods of similar social class can vary on all these issues in part because of how racial and ethnic characteristics are shaped in the struggle against exchange pressures. Let us look more closely, therefore, at the different kinds of use values people gain from neighborhood and at the drive for rents that makes instability a constant threat to the successful use of neighborhood.

Types of Use Values

Each neighborhood has its own individual mix of use values, forged through the historic development of its physical structure, ethnic and class relations, and connections to outside institutions. We discern six categories of use values—six factors that make up the basis of neighborhood.

The Daily Round

The place of residence is a focal point for the wider routine in which one’s concrete daily needs are satisfied. Neighborhoods provide a place for shopping (particularly for food and

other essentials), schooling, child care, and routine health needs. For some, the locality is also a place of work. For others, it is a point of departure to a work place, affording access to appropriate means of transportation. Defining a daily round is gradually accomplished as residents learn about needed facilities, their exact locations and offerings, and how taking advantage of one can be efficiently integrated into a routine that includes taking advantage of others. Routes and timings have to be carefully worked out to achieve maximum benefits. The development of an effective array of goods and services within reach of residence is a fragile accomplishment; its disruption, either by the loss of one of the elements or by the loss of the residential starting place, can exact a severe penalty.

**Informal Support Networks**

Place of residence is the potential source of an informal network of people who provide life-sustaining products and services (Wellman, 1979). Examples range from friends and neighbors who baby-sit, do yard work, or shovel snow to friends, neighbors, and acquaintances who offer aid that can alter a way of life, such as referrals for an available job, a political connection to solve a problem, a welfare benefit, or lucrative criminal contact. Sometimes gains are achieved through an informal marketplace among proximate beneficiaries, in which money may change hands but more commonly operates according to a barter system. Reciprocity rules the loaning of cups of sugar or the minding of children (Stack, 1974). These, too, are hard-won gains; and along with other attributes of neighborhood, they form "the bonds people build with one another that enable them to rely on one another" (Mollenkopf, 1981:320).

Especially for the poor, this income "in kind" represents a crucial resource and it is made possible only by a viable community. In order to situate themselves to capture such advantages, working-class people tend to live near their relatives and to draw their friends from a proximate group of neighbors (Komarovsky, 1962; Rainwater, Coleman, and Handel, 1959; Rubin, 1976). Though they have fewer friends than people in other classes (Fischer, 1982:93), they seem to depend upon their network more than do people in affluent areas (Fischer, 1984:131; Foley, 1950; Fried, 1963; Oliver, 1984). Since the community of poor people is less spatially "liberated" (Wellman, 1979) than that of the well-to-do, poor people's use values are particularly damaged when their neighborhood is disrupted. Even if it is only a "place on the corner" to hang out, home location can be the crucial foundation for making a life for those otherwise lacking standing in the larger metropolis (Anderson, 1976).

**Security and Trust**

A neighborhood also provides a sense of physical and psychic security that comes with a familiar and dependable environment. There are "eyes on the street" from friendly onlookers (Jacobs, 1961, chap. 2) and a variety of "social landmarks," individuals and institutions accepted as dependable, predictable actors with known reputations. Gerald Suttles (1968), in his effort to construct a general theory of urban life, or at least "the" social structure of the slum, portrays neighborhoods as bastions "defended" against the perceived dangers of interlopers drifting in from adjacent areas. Signs of commonality (skin color, diction, gait in walking) serve as a *prima facie*, if imperfect, basis for categorizing others as either members or nonmembers of the neighborhood circle of mutual trust. This process of "categoric knowing" (Lofland, 1973) is reinforced by various mechanisms in daily life that maintain the distinction between insiders and interlopers. Residents recognize it by their own sense of insecurity when they move around outside the neighborhood, by the contrasting responses of shopkeepers to "intimates" and outsiders, by the youth gangs' defense of turf, and by the periodic acts of incivility and violence for which the outsiders get more than their proper share of blame. Reassured by shared symbols, common cultures, kinship ties, and personal reputations, residents experience a sense of relative security, a sense they sorely need in the larger contexts of physical danger and, we would emphatically add to Suttles's picture, threats from the exchange system that surrounds them. Neighborhood can provide the benefit of membership in a social space that is viewed as orderly, predictable, and protective.
Although not as dependent on the local security net as the poor, the well-to-do also have a round of routines that cannot be reproduced overnight. Again, the affluent may less often depend on neighborhood networks to get jobs, but face-to-face interaction still has its uses. Even in the highest circles, proximity matters; that's why we find that memberships on corporate boards of directors so frequently overlap within regions, rather than across them (see Mintz and Schwartz, 1985; Palmer, Friedland, and Roussell, 1985). Business executives' networks of clubs and other social settings, some of which are based in neighborhoods, are part of the trust system that facilitates not only developing a mundane routine but also sharing strategic corporate information, shaping mutual understandings of ethical boundaries, and eliciting peer consensus on business and larger policy issues (Domhoff, 1970; Kanter, 1977; Koenig and Gogel, 1981; Mills, 1956; Ratcliff, Gallagher, and Ratcliff, 1979). More specifically, face-to-face contact in community settings can help executives avoid written correspondence ("paper trails") that can later be used in lawsuits, media exposés, or criminal proceedings. Even phone conversations can be dangerous; some surreptitiously recorded executive phone talk has ended up as court room evidence. Sometimes the best place to discuss delicate business is the clubhouse or locker room.

For women with families, regardless of social status, neighborhood use values have special significance (see Hayden, 1981). Women must construct a path to appropriate schools, lessons, a job, shops, and friends. They must be "in so many places at a time." Involved are hours of daily work and a great deal of automobile driving or time on the bus (DeVaux, 1984; Markusen, 1980; Shlay and DiGregorio, 1983). Working women's double burden of managing family life and employment (Berk, 1985) makes the neighborhood resource base that much more critical. Some women are involved in the largely "invisible work" of volunteer activities, which, while providing free resources to their community, build on women's knowledge of the unmet needs in the nearby life space (Daniels, 1986). Although often the basis for silly television stories, the work by women indicates a special connection to neighborhood, and this in turn is reflected in women's attitudes and behaviors toward location. Women have a greater aversion to moving, and women homeowners are apparently less eager than men to cash in on house equity when the opportunity arises (see Shlay and DiGregorio, 1983).

Identity

A neighborhood provides its residents with an important source of identity, both for themselves and for others. Neighborhoods offer a resident not only spatial demarcations but social demarcations as well. In the United States, people use place names to identify the general social standing of themselves and others. To do this people must have a sense of neighborhood boundaries and the connotations of names of other areas. Hunter reports that between 80 and 90 percent of his Chicago respondents were able to define clear boundaries for their place-named communities and, more important here, tended to manipulate these names and boundaries to increase or protect their own status. For example, "lower status individuals attempt through a 'halo' effect to become identified with a neighboring area of higher status," whereas those of higher status attempt to prevent this sort of borrowing of their status (Hunter, 1974:78). The linkage people make between their location and their social standing means that residents' stakes in place go well beyond the actual material conditions of a given place (for example, public services or park amenities), and involve the symbolic meanings that real estate takes on. These connotations are sustained through the evaluations of outsiders as perceived by residents and strangers alike. As Hunter and Suttles (1972:51) note, "Residential identities . . . are imbedded in a contrastive structure in which each neighborhood is known primarily as a counterpart to some of the others" (see also Logan and Colliver, 1983).

This contrastive structure also means that community resources are desired not just to secure better material conditions, like nice
parks, but to display success compared to other neighborhoods seeking the same resources. That is one reason why it is impossible for city governments to satisfy neighborhood claims; since public facilities are needed for competitive advantage over other areas, the needs are infinite and insatiable. Resources are needed not only to sustain a daily round but also to sustain a daily identity. This is not simply a matter of a vague psychic reward; it is—in a competitive market society—also a way of gaining access to other rewards by establishing one's credentials, by demonstrating that one comes from a good place. This truth is sensed by urban people and helps fuel the rational fires of turf defense, which analysts have sometimes mistaken for vestiges of irrational, primordial folkways.

Agglomeration Benefits

A shared interest in overlapping use values (identity, security, and so on) in a single area is a useful way to define neighborhood. A neighborhood is far more than a mere collection of houses; rather, it is a shared experience of an agglomeration of complementary benefits.

The concentration of a large number of similar people stimulates the development of agglomerations especially appropriate to their needs. For example, the presence of many Mexican-Americans in one place provides the necessary base for a bodega, which then attracts still more Mexican-American residents, who then provide the still larger base needed to support a Spanish-language movie theater. These institutions become symbols of belonging and control, enhancing the feeling of turf security, which reinforces the base on which the ethnic businesses depend. Potentially at least, a successful indigenous business class can then play a supporting role in defending the neighborhood against external threats. Local business and social life become intertwined in a single support system.

All urban residents do not live in such "full" neighborhoods (Keller, 1968; Wellman, 1979), but most residential areas have some of the aspects described above, and a good number have them all. When a neighborhood is threatened by exchange value machinations, the precise makeup of this "neighborhoodness" will have a bearing on the costs of residential displacement and on the ability of people to block it.

Ethnicity

Not infrequently, these benefits are encapsulated in a shared ethnicity. Everybody you need is a member of your ethnic group. When this occurs, ethnicity serves as a summary characterization of all the overlapping benefits of neighborhood life. Ethnicity works for these purposes because it does often accurately represent a shared life style, similar needs in the daily round, and the social boundaries for providing service and gaining interpersonal support. Ethnicity works because of its simple practicality; it neatly demarcates large numbers of people with a single term and, with greater or lesser degrees of accuracy, categorizes them on the basis of only a few gross indicators (such as skin color or diction). Ethnicity is a powerful force because it is part of the solution of many real problems, but also because it underlies many other problems. While one group uses common traits to mark off an arena of trust, another group uses the same traits to identify individuals to be feared, hated, or excluded. The two versions of reality ultimately meet and alter the perceptions of both groups and how they use the city.

This interaction suggests that ethnicity as a cognitive tool for organizing and sensing security is a real, but contingent, feature of urban life that, as Bonacich says, "must be constructed and activated" and not taken for granted by scholars as a natural phenomenon (Bonacich, 1980:11; see also Steinberg, 1981). For us, the critical point in understanding the construction of ethnicity is, not the interaction of ethnic groups on the streets, but the exchange and production forces that touch all groups and thereby help shape those interactions.

This raises the question of how ethnicity was influenced by the circumstances that first gave rise to America's neighborhoods. Compared to the European working classes, American workers lacked proletarian political organization and maintained a sharp separation between the work realm and the neighborhood. This
gave to residential space a more central life focus and to the American worker a more “divided consciousness” than would be found elsewhere (Katzenelson, Gille, and Weir, 1982:231; also Katzenelson, 1981). Again in contrast to other industrial countries, the U.S. system provided little security backup in the form of an income maintenance system, public medical care, or stable (non-market) housing. The social insecurities of particularly heterogeneous inner cities were compounded by a lack of security overall and by the active promotion of a complementary ideology of consumerist individualism (Ewen, 1976). Heterogeneity, in a context of such disruption and challenge, is pregnant with potential for the kind of daily anxiety and intergroup hostility that has been much observed by urban ethnographers. With no systematic policies to help immigrants as human beings (they were merely labor), it was perhaps inevitable that immigrants’ struggle for residential space, jobs, and security would lead them to interethnic conflict.

The resulting ethnic patterns in American cities are clearly not a mirror of Old World cultures. Although population movements have slower velocities than capital (see chapter 2), cultures have the slowest velocity of all. Indeed time as well as distance defeats them, making their complete and wholesale transplanting a virtual impossibility. Our evidence of ethnic solidarity in the city, whether turf-linked gang violence or ethnic neighborhood festivals, is part of the current effort to derive use values from the circumstances at hand.

Summary: Neighborhood Use Values

Regardless of how they come about, the overlapping and intersecting methods of solving daily problems take on a life of their own. Bound up with the fears and triumphs of family life, safety at night, and daily sustenance, these patterns achieve emotional significance and go to the core of the human psyche. It may be that in any realm there is no absolute distinction between practical purposes and emotional attachments (see Hochschild, 1983; Leach, 1976); certainly when it comes to constituting a neighborhood, diffuse sentiment and concrete needs are intimately bound together.

The Exchange Value Threats to Neighborhood

Threats to neighborhood, forces with the potential for overturning the local systems of material and psychic accomplishment, vary according to time and place. Parting with the Wirthian tradition, we do not see “the city” or the “urban” as ipso facto undermining a neighborhood culture. Certainly we do not consider the unpredictability of outsiders from another gang or turf as the critical threat (cf. Suttles, 1968). For us, the major challenge to neighborhood, as a demographic-physical construct as well as a viable social network, comes from organizations and institutions (firms and bureaucracies) whose routine functioning reorganizes urban space. The stranger to fear may not be the man of different ethnicity on the street corner, but a bank president or property management executive of irrelevant ethnicity far from view. In their large-scale study of a national sample of neighborhoods, Schill and Nathan (1983) found that a large proportion of movers (22%) were, in effect, forced out by rent increases, property renovation or conversion, or the landlord’s sale of the property. A study of locational conflicts in a large Canadian city (Janelle, 1977) found that over 60 percent resulted from development initiatives that were opposed by individual citizens and resident associations (rather than by competing entrepreneurs or government agencies). Studies like these receive little attention among urban sociologists despite omnipresent daily newspaper coverage of the same phenomena across North America.

Sometimes, of course, these changes can represent a use value gain; despite initial hardships from adjustment to even forced moves, many people end up with housing they judge to be at least as good as what they started with (Schill and Nathan, 1983:112, 115). And some commercial manipulations contribute to use values; residents may come to value their new grocery store on the corner or the new factory down the road. Nevertheless, residents ordinarily have little control over such changes and this contributes to the general anxiety resulting from the fact that market mechanisms, as currently structured, may well serve to undermine neighborhood.
The very nature of a neighborhood, including its future prospects, is shaped by its connection to the commodity system including, crucially, the place of the neighborhood within the system as a commodity. The daily round, informal networks, agglomeration benefits, and even ethnic identities take their form from this exchange value context. Robert Park (1967:40) described the city as "a mosaic of little worlds that touch but do not interpenetrate." We agree there are "little worlds," but some of them are routinely capable of penetrating the others. Neighborhoods become vulnerable to exchange pressures for specific reasons. The commodity status of an area within the larger urban system, combined with its internal organization, will determine the fortune of a neighborhood.

"Reviving" Poor Neighborhoods

Poor people's neighborhoods are the most vulnerable to social and physical transformation, both by government bureaucrats and by property entrepreneurs. The poor are more likely than other groups to be displaced, and at least for the unemployed and those who have always had trouble finding a stable place to live, dislocation tends to result in higher rates of overcrowding and poorer housing (Schill and Nathan, 1983:57, 59, 111). Some must move several times before finding even a semipermanent place to live, and a large proportion of the displaced try to move back into their old area when they can (Stanfield, 1977).

The crux of poor people's urban problem is that their routines—indeed their very being—are often damaging to exchange values. Low-income people pay less rent than the affluent. Poor people's low buying power makes them disfavored customers and the rich, who do have money to spend, don't want to live near them. Some institutions, for example, elite universities and high-tech firms, similarly find their goals thwarted by proximity to low-income neighborhoods. Local officials often adopt an active role, therefore, in eliminating the daily round of the poor, even though the pawnshops, taverns, boogie joints, and so forth are as important to those without money as the analogous boutiques, restaurants, and corporate office complexes are to the rich. Indeed, efforts at urban "revival" are often schemes to break, through either wholesale land clearance or selective destruction, just this chain of complementary relationships within poor areas. The only strong debate revolves around strategy: whether to close the tavern, arrest the prostitutes, relocate the mission, or destroy a group of physical structures that serve a use for the useless.

Often justified by planning officials' misleading cost-benefit analyses that show that the disruption of poor people's neighborhoods will create the least loss in taxes and land values, the life chances of the poor are sacrificed on behalf of profits and rents enjoyed by people living elsewhere (see chapter 5).

The special vulnerability of poor people's neighborhoods also stems from the low standing of their residents in the larger systems of economic and political power, not only because of their poverty but also because of the relative ineffectiveness of the organizations that represent their interests. It takes very little to set destabilizing actions into motion, and the entrepreneur has little to fear from defenders of the poor. If an entrepreneur can make only a small profit by adding a wall or tearing one down, there is little standing in the way.

Locating Infrastructure. As cities grow and government bureaucrats seek sites for devalued projects (for example, sewage plants, jails, and halfway houses), they look first—if they have any occupational competence at all—to poor people's neighborhoods (cf. Meyerson and Banfield, 1955; Seley and Wolpert, 1975). In addition to meeting a larger urban need, new projects located in a slum can clear out some "decay" and thus do "double duty." In Houston, Texas, whose population is 28 percent black (although blacks occupy less than 28 percent of the area), over three-fourths of the city-owned garbage incinerators are located in black neighborhoods, as are all city-owned garbage dumps (Bullard, 1983). Or again, Harlem was created as a black ghetto by
the dislocation of Midtown Manhattan blacks to make way for Pennsylvania Station (Ososky, 1963:93). Poor people are double losers; they have the least to gain from the infrastructural development and much to lose by the choice of its location.

**Urban Renewal.** The postwar urban renewal programs (lasting into the late 1960s) were truly, in James Baldwin’s phrase, “Negro removal,” so frequently was residential clearance to afflict poor, black people’s communities. Urban renewal used government authority and subsidy to make large-scale private investment attractive in areas where the potential payoff was too low to attract investors. The results were overwhelming in their costs to poor neighborhoods. In Atlanta, one in six city residents was dislocated through urban renewal, the great majority of whom were poor (Stone, 1976). For the country as a whole, urban renewal contributed substantially to the total “disruption rate” of the 1960s: the proportion of U.S. urban housing removed from the housing stock. Ten percent of all central city residences occupied by whites and 20 percent of units occupied by blacks were lost over the decade (Dahm, 1982). This disruption rate does not include the displacement, beginning during the urban renewal years and continuing into the present, brought about by more routine market forces (evictions, rent increases).

The fact that a “neighborhood” cannot be rebuilt in a short period means that the disruption persists as an ongoing penalty in people’s lives. The threat of disruption affects an even larger number. Whether it comes to imagining a family, a job search, or starting a small business, confronting the reality of residential instability must have at least some detrimental effect on the way people think about their lives together and make plans. And such “official disruptions” are only one of the forces making it difficult for low-income people to hold on to place. Marginality in the job market, vulnerability to changing welfare rules, and inability to cope with unexpected financial emergencies cause poor people to miss rent payments and be evicted from their dwellings. In her study of slum life in a midwestern city, Stack (1974) reports that one man killed his wife as the final result of the tension and family chaos stemming from an eviction. Stack describes a never-ending struggle of kin and friendship groups to maintain geographical proximity in the face of the many difficulties imposed by economic marginality.

**Gentrification.** Poor neighborhoods are directly threatened by “gentrification,” the “reinvasion” (London, 1980) of the central city by affluent young “urban pioneers,” who displace the less affluent from urban locations. Real estate firms or individual buyers acquire buildings, which they upgrade, either for their own use or for sale to another. The neighborhood is often taken gradually, building by building, block by block, but the outcome—in which a certain kind of neighborhood is destroyed—can be just as complete as in wholesale urban renewal (see Newson, 1971; Tournier, 1980).

Sometimes neighborhood residents, particularly homeowners, help the process along. Touched by exchange value interests, these insiders forsake sentimental attachment in the face of newly discovered exchange value potential. Only one needs to sell to open the neighborhood to the process. Gentrification implies sales to affluent outsiders, and their very presence generates the kind of neighborhood effects (such as increased property value) that make it increasingly likely that other residents will make deals with outsiders. Renters, with no property to sell, but higher rents to pay, are, as is the usual course, victimized.

Notwithstanding the harm often done to poor people’s lives in the process and the real possibility of fiscal losses to the city caused by the pioneers’ high service demands (see chapter 5), gentrification is not ordinarily seen as an urban problem. Whereas a “good neighborhood” into which poor people move (especially black poor) is usually considered a tragic example of urban decline, the invasion of affluent whites is considered—among the press, the public bureaucracies, and the entrepreneurs—grounds for celebration. They celebrate because this sort of transformation builds rents and is thought to make the city more attractive for other investments, including growth-driving additions to the basic economy. “Blockbusting” that “upgrades” a neighborhood into a more affluent residential zone or growth-promoting corporate center is no urban sin. The lack of disapproval means that violence against the blockbusters will not be tolerated by the police, that real estate regulatory agencies will not discipline brokers who par-
ticipate, and that those who sell their homes to outsiders will feel little shame for their disloyalty to neighbors, including renters who have no profits to make.

Racial Change

Neighborhood racial change resembles gentrification in its gradual nature, although it differs from gentrification as well as from other types of neighborhood transformation in its implications for rent returns and in the social groups it damages and helps. Blacks, including poor ones, make gains as whites, after evaluating their options, cede the neighborhood to black residency.

Departing white homeowners are often caught in a conflict between their local reputations and sentimental ties to neighborhood, on the one hand, and their desire for a good sale price, on the other. The trouble arises because general racist discrimination makes housing available to both races worth more to blacks than to whites; whites can choose from any housing in the metropolitan area but blacks cannot (Molotch, 1972; see also Osofsky, 1963:92; Philpott, 1978:149). One St. Louis study (Yinger et al., 1978) found that blacks paid 15 percent more than whites for similar housing in the same neighborhood, with overall housing costs 25 percent higher in black neighborhoods than their white counterparts. That means that although white sellers may not want to upset their neighbors by selling to blacks, they have no choice if they want to sell for the maximum price.

As the discrepancy grows between what whites and blacks will pay in a transitional area, white resistance is broken down by the “economic facts,” and the process of racial change in the neighborhood, without any “white flight,” becomes inexorable (Molotch, 1972; see also Taeuber and Taeuber, 1965). Even as local public policy and sentiment rail against the alleged “blockbust- ers,” the special ways in which commodification intersects with ethnicity mean that resegregation occurs (albeit with new racial borders) and past patterns of discrimination, dual markets, and segregation are sustained. Racial change, the most common mechanism through which black housing opportunities are expanded, is the only known market process in which property en-

trepreneurs are commonly denounced (and even on occasion legally disciplined) for their transforming activities.

Site Assemblage

In contrast to the gradual nature of racial change and much gentrification, some forms of neighborhood change involve large-scale entrepreneurial land assemblage. Again, the conversion of much of Atlantic City from a decaying retirement and working-class residential zone into a gambling resort is a useful illustration. Developers of hotel-casino projects faced the time-consuming process of bargaining separately with each small homeowner. In this process developers run a major risk: holdouts can demand premium prices from desperate entrepreneurs. Trillin (1979) has poignantly described a technique for heading off such an eventuality, a method that, in effect, turns the social bonds of neighborhood into a force supporting the developer’s goals. A large corporation wished to construct a casino-hotel on a street of individually owned working-class homes adjacent to the city’s Boardwalk. In order to assemble the land, the corporation simultaneously offered each owner a price substantially above market value. But there was one special condition of the sale: the price was good only if every household sold by a specified date. The younger families, seduced by the money, wanted out and were willing to give up the neighborhood benefit, but there were residents who did not want to sell at any price. Some of the old people had “nowhere to go,” not because there would not be enough money for a new place, but because proximity to the daily round would be lost. For the old, the tie was less to the housing value than to the social network. Death was viewed as the alternative.

The developer’s strategy was to use the exchange value interest of the young as a lever against the social investment of the old. According to Trillin’s account, the once placid little community became a battle zone as great pressures were put on the elderly holdouts by members of their own neighborhood. The two bases of neighborhood commitment are brought into vivid contrast as entrepreneurs manipulate homeowners’ exchange value interest to overcome lingering sentimental ties.

A similar dynamic operates in the more affluent suburban con-
text when the land on which houses sit becomes valuable enough for more intense use. When suburban land outside Atlanta began selling for as much as $1.3 million per acre in 1984, various groups of residents began offering their homes as a group to prospective developers (Schmidt, 1984). In the Dunwoody community, owners of upscale houses (worth $100,000 each) moved their homes to other parcels to make way for more intensive development. At the Lake Helm subdivision, houses sold for approximately twice their market value ($225,000) because their owners were able to offer all parcels as a single assemblage for development (Changing Times, 1985). Similar sales have been reported for the Courtlands neighborhood in Arlington, Virginia (22 homes), and the Ernie Pyle subdivision in Oak Brook, Illinois (46 homes). It especially helps when the neighbors get their land rezoned ahead of time and thus offer not only a package of contiguous parcels but also one for which the zoning and permit wars have already been fought and won for the developers. Other residents, like tenants with nothing to sell or homeowners not directly in the path of urban expansion, have little to gain by such deals. Those opposed to the changes come together and, using the environmental review process, may strive to protect their daily round. Indeed, one group of homeowners sued to block rezonings for one of the Atlanta assemblages and fought the reelection of local officials who supported it (Schmidt, 1984).

Suburbanization

Although not ordinarily considered an urban neighborhood issue, the transformation of rural areas into suburban residential zones involves similar patterns of collusion between insiders and outsiders, with specific results for various internal groups. The urbanization process means great rewards for the serendipitous speculators who happen to own property; the near-in farmers, the owners of land with the greatest profit potential, gain most from the conversion of properties to residential and industrial uses. Again, loss of community becomes easier to bear when substantial rents are in the offing. These “farmer-developers” (Rudel, 1983), taking advantage of their “old-timer” status and well-established political and social connections, are able to overcome any competing local interests supporting preservation (see Mansbridge, 1980; Rudel, 1983). They may be able to use their considerable political power, apparently preeminent in the rural setting (see Vidich and Bensman, 1960:218; Rudel, 1983), to forestall zoning controls and tight building regulations until their own property is subdivided and sold. For the unpropertied locals, suburbanization means that they will lose their status as insiders belonging to a small community and become leftover “hicks.” The urban newcomers’ ideas on schooling, religion, neighborliness, and consumption overwhelm the old folk patterns. In their efforts to gain exchange value, the serendipitous entrepreneurs sell their fellow country people down the river; and the renters gain no compensatory rewards for the environmental degradation, higher taxes, and alteration of the cultural climate of the locality.

The newcomers often face troubles of their own. They must also contend with environments built with little concern for long-term livability. Lax controls allow the obliteration of virtually all open space, the destruction of irreplaceable recreational sites, and the construction of homes on flood plains, on unstable hillsides, and even adjacent to toxic dumps (Levine, 1982). New owners can find themselves living on sites where topsoil has been stripped away, adjacent to collapsing roadways, and with flooding basements and houses built with shoddy construction and cheap materials (Rudel, 1983). All of this is especially likely to occur in low-end neighborhoods built for unwary young families, whose former experience as apartment dwellers gave them few skills in detecting building defects. In what appears to be a general pattern in the suburban politics of land use (Rudel, 1983), the newcomers then demand land-use and building code reform, but at a late stage in the process. Besides paying for the individual defects in their homes, they are faced with the high taxes necessary to deal with the many irresponsible prior government decisions. One kind of life routine has been destroyed, and those trying to build another have to pay an extra price because their renters were uncontrolled in their place manipulations.

Defiling Affluent Neighborhoods

The well-to-do, least dependent on neighborhood networks, can buy many of their needed services and draw upon the whole city and region for their friendships. If they should have to
move for any reason, they may already have contacts in the new place; sometimes their corporate employers ease the transition into a new community with housing and school “tips,” Welcome Wagon teas, and club introductions (Friedmann and Wolff, 1982:317). Nevertheless, the affluent do face certain distinctive challenges in protecting the sizable financial investments in their houses and in their social standing and networks that their neighborhood confers. The rich choose to live, as Suttles cogently puts it, “where the character of fellow residents is assured by the costs of living there and the presumed reputeability of people so heavily rewarded by society” (Suttles, 1972:236). They oppose public housing, dense residential development, or any other land-use change that might lower the “tone” of their area. They favor large-lot zoning, which not only provides each family with the amenity of lawns and privacy but also produces a neighborhood of vast acreage, ipso facto isolating all but those who must live along the edges from contact with anyone who is not affluent. When physical distance is not feasible, as in dense inner-city zones, the affluent purchase social distance by paying for doormen, chauffeurs, and electronic security systems.

Affluent people’s daily round is lucrative for those owning the property and businesses with which they make contact. The rich have a midas touch on geography. Affluent people as well as those who supply their provisions pay a lot of rent. They may get better value than the poor for their money (Caplovitz, 1963), but they do pay, in absolute terms, a lot. Clusters of high-spending consumers inflate the value of retail property, both within and adjacent to affluent neighborhoods. Although rentiers are always pressing for still more people with affluence, it is basically in the interests of rentiers and many retail businesses to sustain the character of these areas. This is the most important source of neighborhood power for the rich.

More broadly still, deluxe neighborhoods are often thought to be an asset for the urban growth machine; these “good places to live” can help sell outside executives on the local metropolis as a place in which to invest. “Showpiece” neighborhoods also serve as symbols of general urban vitality, and are occasionally featured in business magazine advertisements touting the local business climate. All in all, the rich neighborhood has a potential role to play in both micro and macro growth strategies. The well-to-do community thus can rely upon “the protective shield provided by city administrators, highly placed politicians, and the leaders in certain businesses . . . [and] police policy toward trespassers” (Suttles, 1972:237). Community defense is substantially provided by the larger political structure within which the affluent routinely seek to institutionalize privilege, but probably less because of residents’ personal wealth than the role their place plays in the geopolitical economy.

This also means that even the rich neighborhoods can decline as their function in the local urban system shifts. Expansion of the basic economy (itself a result of growth machine strategies) attracts migrants who, inconvenient as it may be, must be put somewhere. The growth machine sets in motion classic residential succession sequences, which, as in the case of postwar ghetto expansions, impinge on neighborhoods throughout the metropolis (Duncan and Duncan, 1957; Tauber and Tauber, 1965). In addition to this “push” against the affluent areas, there is also the “pull” of a better life in the wealthy suburbs, enthusiastically marketed by rentiers using all manner of legal and financial instruments to make their speculative profits in the hinterlands. As the subsidized suburbanization process drains more and more of the affluent from the city, there are simply not enough of the rich (or even middle class) to go around, leaving the stragglers high and dry in a newly devalued and disrupted social environment.

A different problem for affluent areas comes from the extraordinary rents that can be collected by those able to intensively develop parcels of land within or adjacent to such ordinarily lower-density neighborhoods. There are several classic scenarios: high-rise apartments adjacent to mansions (along the Winnetka-Wilmette border outside Chicago); resort hotel complexes near the second homes of the wealthy (characteristic of some development in Palm Beach and Boca Raton, Florida); large-scale shopping centers near the towns of well-to-do (almost every posh suburb in America faces this pressure). The town politics of Beverly Hills, California, is driven by a constant effort by developers to overcome controls on hotel, retail, office, and apartment expansion (see Mitchell, 1984). To one degree or another, such battles have compromised use values in many affluent towns, like Purchase,
New York, Greenwich, Connecticut, and La Jolla, California. The political tensions in such areas represent the increasing disparity between the rent payoff of parcels under current low densities and the rent potential of the same parcels if they are turned over to more intensive uses. Exchange value pressures are sometimes so great that no community can withstand them, no matter how much wealth it has.

In the limited space we have here, we cannot explain why specific affluent areas seem able to withstand exchange value threats, but others fall more readily to this force. Although we reject the mechanistic determinism of the classical ecologists (under which all areas must give way to subsocial demographic expansion), we are also suspicious of those who would attribute stability to a vague, “ineffable, and at times overpowering coerciveness” tied to primordial attachments (Geertz, 1963:109). Firey’s (1945) classic analysis of Boston’s centrally located, but historically rich, Beacon Hill, for example, is often used to argue that precisely this sentimentality is sufficient to preserve a neighborhood in the face of all manner of pressures on it. But more than “sentiment” was involved in Beacon Hill’s preservation. Firey described the political struggle through which its affluent residents protected themselves from those “insiders” who might have sold out, and also noted that much of the working-class North End, no less a sentimental community, was completely wiped out by an expressway. It wasn’t just sentiment; it was sentiment of organized and powerful people.

There also may have been an element of economic accident in the preservation of Beacon Hill, just as there is in other instances of preservation. The newly discovered precious historic districts of the country, such as Baltimore’s Federal Hill, New Orleans’s French Quarter, and many quaint Maine villages, were saved not so much by sentiment as by their decline in economic vitality. Modernization passed them by through no efforts of their own residents. Neighborhoods may be ignored because the costs of conversion exceed the rent anticipated through private redevelopment. This can give an area a breathing period during which, ignored by the active speculators and challenged only by the rain, wind, and poor, it can survive, to one day “come back” as an architectural gem, yielding higher rents than anyone ever dreamed.

Our assumption is that virtually all neighborhoods are subject to potential threats from the rent intensification process. Rich neighborhoods are more capable of institutional resistance and this means that disrupting them requires a concomitantly greater economic divergence between current and potential rents to set disruptive change in motion. This gives the affluent one more reason to sleep soundly in their beds at night, but not without an edge of concern.4

All of our examples are meant to show that, whether among rich or poor neighborhoods, in the central city or urban fringe, neighborhood futures are determined by the ways in which entrepreneurial pressures from outside intersect with internal material stakes and sentimental attachments. The exchange value interest of some residents in their neighborhood property can generate the kind of commitment to neighborhood that not only can help to preserve a way of life but also can undermine it. The potential rent increase, along with neighborhood differences in ethnic solidarities, age, and gender, is important in determining which form the commitment will take. The simultaneous presence of both exchange and use values (often among different groups of people, such as homeowners and tenants) makes even internal neighborhood politics diverse.

We cannot deduce a rule, therefore, that will predict the outcome in all cases. Instead, we can only reiterate the critical determinants: (1) the strategic value of neighborhood in the larger system of places (i.e., its changing utility in the rent generation process); (2) the nature of the internal pressures for exchange value returns and the particular strategies used; (3) the power and status of residents in the larger political economy; and (4) the sentiments and cultural systems of residents that guide the pursuit of local use values. The conditions and fate of any neighborhood stem from the way these factors come to be arrayed. Let us apply

4. For some problems, wealth is less of a solution; for example, the rich are victims of ransom kidnapping and jewel theft. In general, of course, they are much less likely to be victims of crime than the poor, particularly young black men, whose murder victimization rate is by far the highest of any group.
these notions to the neighborhood whose existence poses the most vexing analytical and political issues of U.S. society, the black ghetto.

The Dilemma of the Ghetto

Just as there has been substantial variation in the rate and degree to which different immigrant and racial groups have acquired "a piece of the pie" (Lieberson, 1980), so there are variations in the ways these groups' neighborhoods function in the larger systems of individual and area stratification. At least since the turn of the century, there has been a "pattern of unequal autonomy" (Zunz, 1982:87) among minority neighborhoods. Some have been able to provide their residents with a stable daily round and strong informal support systems, with reliable political and economic linkages, including ties to the outside world. The neighborhood has been an effective melding of sentimental, economic, and political opportunities, an autonomous "proving ground" for developing ways to build both psychological and economic security. The word quarter (following Levine, 1980) or enclave (following Portes, 1981, 1982) describes these places. The prototypical cases are the neighborhoods of the immigrant Italians and Jews. For the contrasting case, in which autonomy is much more limited, we reserve the term ghetto (originally applied to Jewish areas of European cities). It still implies that castelike discrimination isolates people from other geographical settings as well as from mainstream economic roles. The neighborhoods of U.S. blacks, a people whose slave origins make them "immigrants" only by an awkward extension of language, are the exemplars.

There was at least an element of choice in the appearance of the European immigrants in the United States; they must have arrived with some hope and with kinship ties and other sorts of basic "human capital" intact. They took places in industrial job queues only partially rigged against them, found apartments, and built homes in areas more or less in line with their economic resources. For some, local political structures became avenues of mobility, providing lucrative municipal contracts for their own business firms and stable careers for cronies and kin (Bell, 1961; Cornwall, 1969; Handlin, 1951; Wilson, 1980). They built neighborhood economies through which they employed coethnics, particularly relatives; some functioned as "middlemen," trading goods and brokering services among other groups (Bonacich, 1973). Within the neighborhoods, as streams of ethnographic accounts have indicated, the bulk of retailing and service trade was controlled by locals of the same ethnicity, with many businesses held intergenerationally (see Gans, 1962; Suttles, 1968; Whyte, 1943; Wirth, 1928). Some, like the Italian restaurants and Jewish delis, became "famous" and brought in outside money and fostered local pride. Others, like the Italian building firms and Irish insurance companies, were large enough to draw wealth from the entire metropolis and operate on a wide scale. Many residents owned their own homes, even in poor areas like the Polish workers' district of Detroit (Zunz, 1982:173). A significant number of residents became interested in place for its exchange returns as well as its use values. As long as these exchange interests did not lend themselves to schemes of profiting from neighborhood transformation, owners' parochial interests unproblematically called for preservation of neighborhood. This provides a system that binds residents to their own neighborhood while at the same time connecting neighborhood to its surrounding metropolis.

Although only approximating an ideal "multiple institutional" neighborhood model (Warren, 1963),5 such arrangements did exist, and even now persist among new immigrant groups, with consequences that are again quite real. Portes (1981), in examining the occupational structure of the Miami Cuban community (in 1976), found that about one third of the immigrants worked for other Cubans in the enclave economy; in San Francisco's Chinatown, the proportion is one half (Mar, 1984; Takagi, 1985). Portes remarks that although wages paid to workers under these conditions are low, they foster an indigenous bourgeoisie and a community of overlapping functions and allegiances. "The principle of ethnic solidarity, which entrepreneurs invoke to extract labor from new arrivals, may also cause them to promote and support the economic initiatives of other immigrants" (Portes, 1982:109).

5. This is the medieval ideal (Pirenne, 1925; Sjoberg, 1955), in which the town quarter contains "the major institutions of work, religion, family, leisure and, to a considerable degree, government and social control" (Yancey, Ericksen, and Juli, 1976:395).