Notes on urban history
By Chris Wright

The history of the American city is worth knowing. It is analyzed thoughtfully in *Marxism and the Metropolis: New Perspectives in Urban Political Economy* (1984), edited by William Tabb and Larry Sawers. David Gordon has a particularly good chapter. Marxists usually divide the city's history into three stages: the commercial city, the industrial city, and the corporate city, corresponding to the successive phases of commercial capital, competitive industrial capital, and corporate or monopoly capital. The commercial city, which lasted until the middle of the nineteenth century, was a center for trade, craft manufacturing, and mercantilist government. Its residential structure was relatively heterogeneous and not as segregated as it would become later: "People of many different backgrounds and occupations were interspersed throughout the central city districts, with little obvious socioeconomic residential segregation. In the central port districts, the randomness and intensity of urban life produced jagged, unexpected, random physical patterns. Streets zigged and zagged every which way. Buildings were scattered at odd angles in unexpected combinations." The only group that didn't share in this central port-district life was the poor—beggars, casual seamen, propertyless laborers—who lived outside the cities in shantytowns and rooming houses, moving from town to town. As the commercial city grew, the only major change that took place in its organization was the rationalizing of land speculation, the birth of the "urban grid" characterized by straight lines, ninety-degree angles, etc.

Early factories were located in small towns, but after a few decades they had moved to large cities. Why? First of all, they provided easy access to markets, workers, transportation, and intermediate goods. In other words, cities provided "agglomeration economies," as mainstream economists call it. David Gordon also suggests that, at least until the 1880s, it was easier for employers to control their workers and suppress resistance in large cities than in small ones. The reasons, he says, are that, "first, the greater physical segregation and impersonality of the larger cities seem to have isolated the working class and exposed it to community indifference or ostracism [which was very different than in small cities, where the middle classes often *supported* workers' strikes]. Second, non-industrial classes in smaller cities seem to have exhibited more militantly preindustrial values [such as human decency and fair pay] than their larger-city cousins." In short, "the basis for industrial profits was best secured if and when a homogeneous industrial proletariat could be most effectively segregated from the rest of society," which was more feasible in large than in small cities.

Huge factories were concentrated in downtown industrial districts, near rail and water outlets; segregated working-class housing districts emerged, located near factories; the middle and upper classes began to escape from the unpleasant center city, eventually being "arrayed in concentric rings" around the center; shopping districts arose in the heart of the city to cater to the more prosperous classes. The differences from the earlier commercial city are clear. "The central city was [now] occupied by dependent wage-earners rather than independent property-owners.

Producers no longer lived and worked in the same place; there was now a separation between job and residential location. There was no longer residential heterogeneity; instead, the cities had quickly acquired a sharp residential segregation by economic class. In the Commercial City, the poor had lived outside the center while everyone else lived inside; now, suddenly, the poor and working classes lived inside while everyone else raced away from the center."

Problems—for capitalists—began to appear in the 1880s and later. The most important one was that as workers became more and more concentrated in large cities, labor unrest grew harder to suppress. Strikes bred demonstrations throughout the downtown districts. At the turn of the century, as the merger wave took off and monopoly capital entered the historical arena, manufacturing started moving out of the central city in search of more stable and secure environments (and lower taxes). Factory districts beyond the city limits cropped up, such as Gary, Indiana and East Chicago. Thus "the great twentieth-century reversal of factory location" began, because—at least in part—"corporations could no longer control their labor forces in the central city."

Around the same time, especially from the 1920s on, central business districts were created and expanded. "Downtown office space in the ten largest cities increased between 1920 and 1930 by 3000 percent. Tall skyscrapers suddenly sprouted...." Why did it take until the 1920s for central business districts to flower? Apparently because "large corporations were not yet ready for them before then. Huge corporations had not consolidated their monopoly control over their industries until after World War I. Once they gained stable market control, they could begin to organize that control. They were now large enough to separate administrative functions from the production process itself, leaving plant managers to oversee the factories while corporate managers supervised the far-flung empire." They chose downtown locations because of agglomeration economies (the advantages of being near other headquarters, banks and law offices, advertising agents). Incidentally, Daniel Burnham's famous 1909 *Plan of Chicago* proves that even at that early date, the commercial business community was preparing for a "post-industrial" future. It's a strikingly modern plan, prioritizing urban beautification, the development of highways, new parks, railroad terminal improvements, civic and cultural centers, a more systematic arrangement of streets, and the gradual eviction of industry from the central city by means of zoning regulations and an increase of property values. The plan was partially implemented in the following decades.

Another major change that began with the transition to corporate capitalism was the political fragmentation of urban areas, i.e., the rise of "political suburbanization." A sort of primitive suburbanization had already been going on for quite a long time, but until the end of the nineteenth century, central cities had continually annexed outlying residential districts. Suburban residents usually opposed this, preferring autonomy, but they couldn't do much about it. Until the turn of the century. The last urban annexations (in *old* cities at least, not newer ones like Los Angeles) happened between 1890 and 1910. The reason for this cessation of annexation activity, it seems, was that the power dynamics changed: as manufacturers themselves began to move out of central cities, legislatures and local governments were prevailed upon not to allow the annexation of suburban areas by cities. (What the manufacturers wanted was to avoid paying high central-city taxes and to stay outside the purview of progressive city legislation.)

Gordon concludes his analysis:

> If a city had reached maturity as an Industrial City during the stage of industrial accumulation, its character changed rapidly during the corporate period although its physical structure remained embedded in concrete. Its downtown shopping districts were transformed into downtown central business districts, dominated by skyscrapers.... Surrounding the central business district were [eventually] emptying manufacturing areas, depressed from the desertion of large plants, barely surviving on the light and competitive industries left behind. Next to those districts were the old working-class districts, often transformed into "ghettos," locked into the cycle of central-city manufacturing decline. Outside the central city there were suburban belts of industrial development, linked together by circumferential highways. Scattered around those industrial developments were fragmented working-class and middle-class suburban communities. The wealthy lived farther out. Political fragmentation prevailed beyond the central-city boundaries.
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> Many other, newer cities—particularly those in the South, Southwest, and West—reached maturity during the stage of corporate accumulation. These became the exemplary Corporate Cities. They shared one thundering advantage over the older Industrial Cities: they had never acquired the fixed physical capital of an earlier era. They could be constructed from scratch to fit the needs of a new period of accumulation in which factory plant and equipment were themselves frequently predicated upon a decentralized model. (Orthodox historians explain the decentralization of manufacturing as a *result* of this new plant and equipment [which includes trucks, cars, and highways, presumably]; I have argued that an eruption of class struggle initially prompted the decentralization and, by implication, that the new plant and equipment developed as a result of that dispersal in order to permit corporations' taking advantage of the new locational facts.) There was consequently no identifiable downtown factory district; manufacturing was scattered throughout the city plane. There were no centralized working-class housing districts (for that was indeed what capitalists had learned to avoid); working-class housing was scattered all over the city around the factories. Automobiles and trucks provided the connecting links, threading together the separate pieces. The Corporate City became, in Robert Fogelson's term, the Fragmented Metropolis. No centers anywhere. [Los Angeles is the classic example.] Diffuse economic activity everywhere.

By the way, mass suburbanization and deindustrialization would have happened earlier if the Great Depression and World War II hadn't intervened.[1] —What an irony that the historic victories of the CIO in the 1930s happened only twenty or thirty years before deindustrialization truly got underway and started to destroy the power of unions! (Whereas earlier in the century, decentralization of production was impelled by the desire to escape labor unrest, in the postwar period it was impelled largely by the desire to escape the power of unions. In both cases, class struggle explains the shift.)[2]

The urban fiscal crisis between the 1960s and 1980s was mainly a crisis of the "old cities," the old industrial centers like Chicago and New York, not the new cities in the South and West. The Great Depression and World War II saved the old cities for a time, but eventually they had to succumb to declining tax revenues (from white flight and deindustrialization)[3] and increasing expenditures due to social problems. So, some of them nearly went bankrupt, and all of them were economically restructured from the 1970s to the present. They were made more "corporate," more services-oriented, and recently more touristy, like cities all over the West—indeed, the whole world. Even the "new" cities that initially avoided the urban crisis have recently been losing jobs, this time overseas (as capital mobility has increased). So they too have had recourse to things like tourism, entertainment, urban beautification to raise property values, and the FIRE sector (finance, insurance, real estate). The so-called "neoliberal city" is really just the post-industrial city in a context of hyper-globalization. It is the latest form of the "corporate" city, which is going to continue evolving towards greater privatization and militarization.

It's also interesting that with the acceleration of gentrification, which is a very conscious *policy*, more middle- and upper-class people are returning to the city and lower-income people leaving it for the suburbs. Property values are rising, forcing many immigrants and minorities to move out to the suburbs where they can afford to live. City governments encourage this because higher property values mean higher taxes, in addition to a better "reputation" in the global competition to attract business. Needless to say, plenty of city neighborhoods remain in dilapidated, gang-ridden condition; their number is declining, though. Chicago's Logan Square, where I live, wasn't the safest of areas eight years ago, but it's gentrifying at a rapid pace. Soon some of the Hispanics who live on my block might have to move elsewhere.

Nancy Kleniewski has a good paper on postwar urban renewal in Philadelphia. But much of what she says applies to cities all around the country. For example, in Chicago too (under Richard J. Daley and later), "urban renewal stimulated investment in the central city, it bolstered

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[1] Patrick Ashton notes that in 1929 the population of suburbs was growing twice as fast as that of central cities. In 1900, about 10 percent of the U.S. population already lived in suburbs.

[2] It's true that other factors were operative too. Another author writes, "The growing scale of [industrial] operation discouraged central [city] location where land was scarce. The wave of mergers around the turn of the century created giant bureaucratic empires which needed headquarters in which to coordinate their far-flung operations. Thus office activities began crowding out manufacturing from the central business districts...."

[3] Remember, too, that from the 1930s on, federal policies effectively subsidized the expansion of suburbs, because they were very good for capital.

the values of central city property, it spurred the transformation of central [Chicago] from an industrial city to a corporate city, and it initiated a change in the composition of the population living in and near the central city....from predominantly industrial working-class, unemployed poor, and racial minorities, to predominantly white, middle- to upper-middle-class and professional." The poor whose homes had been demolished were shunted off to public housing or to increasingly crime-plagued neighborhoods farther away from the central business district. And so things continue, in the new neoliberal forms of urban renewal and class segregation.