



Need Cash? Albuquerque, New Mexico, August 2004 (Elvin Wyly). Class relations are visible nearly everywhere in the metropolis -- from the icons of wealth and accumulation seen in gleaming downtown headquarters or exclusive residential neighborhoods, to the images of decay, poverty, and violence in crime-ridden poor communities. And sometimes class relations can be seen clearly along the run-down commercial strips that surround so many North American cities with corridors of used clothing stores, fast-food outlets, pawnshops and payday lenders, and even ... plasma services. In the United States, voluntary blood donations are insufficient to supply medical and health-care research and development needs, and thus the main sources of blood plasma collection are commercial services that pay donors. The most inexpensive way for these commercial services to obtain sufficient supply is to locate in those cities and communities with lots of people who are in desperate need of cash, and who have nothing to sell but their own blood. Unfortunately, people and places in such desperate need are also likely to suffer from higher rates of drug use and risks of infection. There is now great concern among health care professionals "about the location of paid blood donation centers in high-risk areas.... Donor recruitment in areas of high prevalence of transfusion-transmissible pathogens presents risks to blood safety arising from false-negative results in donation screening and from the transmission of pathogens for which no screening procedure is available." Robert C. James and Cameron A. Mustard (2004). "Geographic Location of Commercial Plasma Donation Clinics in the United States, 1980-1995." *American Journal of Public Health* 94(7), 1224-1229, quote from p. 1224.

Class and Urban Social Stratification

Urban Studies 200, *Cities*

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Elvin Wyly

A Touchy Subject

Paul Fussell, who was once a Professor of English at the University of Pennsylvania, begins his book *Class* with this passage:

“Although most Americans sense that they live within an extremely complicated system of social classes and suspect that much of what is thought and done here is prompted by considerations of status, the subject has remained murky. And always touchy. You can outrage people today simply by mentioning social class, very much the way, sipping tea among the aspidistras a century ago, you could silence a party by advertizing too openly to sex. When, recently, asked what I am writing, I have answered, ‘A book about social class in America,’ people tend first to straighten their ties and sneak a glance at their cuffs to see how far fraying has advanced there. Then, a few minutes later, they silently get up and walk away. It is not just that I am feared as a class spy. It is as if I had said, ‘I am working on a book urging the beating to death of baby whales using the dead bodies of baby seals.’”¹

Even if it’s a touchy subject, though, we cannot avoid the subject of class. Class is a central facet of opportunity and privilege, choice and constraint, individual and collective actions that shape life in the metropolis. We now live in an urbanized world -- and a deeply class-divided one:

“Today, in many countries -- including Brazil, Haiti, the UAR, and Pakistan -- gross inequality exists, including modern slavery. Usually, the justification is economic: the chains of debt. ... According to some estimates, India and Pakistan keep up to 35 million people in bondage due to indebtedness. In Brazil, over 16,000 people remain enslaved. Mainly, landowners bind their cheap laborers by forcing them to run up unpayable debts at company stores. In the United States, laborers smuggled in from China are lured by stories of streets lined with gold; those who escape the immigration authorities typically end up as indentured servants to organized gangs, working 7 days a week for over 14 hours a day to pay off their passage. And these debt-ridden Chinese immigrants are far from alone.”²

Today, we’ll consider the implications of social class for cities and urban life. We’ll begin with simple definitions. Then we’ll consider the two most influential theories of class relations, before turning to recent updates and debates. Finally, we’ll consider case studies of how cities reflect class relations -- and how urban processes influence and constitute class relations.

¹ Paul Fussell (1983). *Class*. New York: Ballantine Books, p. 1.

² E. Barbara Phillips (2009). *City Lights: Urban-Suburban Life in the Global Society*. New York: Oxford University Press, p. 343.

What is Class?

The word “class” comes from the French *classe*, and has ten distinct dictionary definitions:

1. A group of people of the same rank or status in a community.
2. The concept or system of social divisions.
3. A division by cost, such as traveling in “first class.”
4. A division by quality, such as staying in a “world class” hotel.
5. A group of students taught together.
6. A course of instruction.
7. The year of graduation from an educational institution, such as “the class of 2010.”
8. An age group for conscription into military service.
9. The grading of candidates after examination.
10. In biology, a comprehensive group of animals or plants ranking above an order and below a phylum.³

Class: a system of social division that maintains hierarchies and ranks, reinforcing inequalities of economic, cultural, and political power.

In urban studies, we’re mainly concerned with the first two definitions. Class is a system of social division that maintains hierarchies and ranks, reinforcing inequalities of economic, cultural, and political power. The other definitions are still useful, however, as reminders of the essence of thinking about class: *drawing distinctions and divisions that separate according to hierarchy.*

One of the reasons why class can be such a touchy subject is that it brings up all of the optimism and frustration, all of the hopes and anxieties, of people trying to find their place in society.

³ Bernard S. Cayne, ed. (1990). *The New Lexicon Webster’s Encyclopedic Dictionary*. New York: Lexicon Publications, p. 182.



The Modern Class. Street advertisement for new luxury condo tower, Kuala Lumpur, December 2009 (Elvin Wyly).

Marx and Weber

The most influential perspectives on social inequality and social stratification can be traced back to the work of Karl Marx (1818-1883) and Max Weber (1864-1920).⁴ Marx's work was wide-ranging, multi-faceted, sometimes impenetrable, and set in the context of broad debates over the nature of the economic transformation shaping Europe and the rest of the world in the nineteenth century. But his analysis of class was sharp and clear: as peasants were separated from their land (often forcefully) and moved to the cities to take up work in expanding factories, new *relations of production* were being made. Feudal relations between rural peasants and landlords were being replaced by urban-industrial relations: wealthy *capitalists* or the *bourgeoisie* invested in factories and determined what was produced, how it was produced, and how much the workers would be paid. Those whose only asset was their labor -- the *proletariat* -- were forced to accept the terms dictated by the capitalist class.

⁴ E. Barbara Phillips (1996). *City Lights: Urban-Suburban Life in the Global Society*. New York: Oxford University Press, pp. 261-277.

Marx offered a direct challenge to the classical political economy of the eighteenth and

*For Marx, class is determined by a person's relationship to the means of production. The **proletariat** -- propertyless workers whose only means of sustenance comes from selling their labor for wages -- is exploited by the **bourgeoisie**. The bourgeoisie appropriate the surplus value -- the difference between the cost of wages paid and the revenues from selling commodities -- that is created by workers.*

nineteenth century. According to this classical view, economic relations were simply a matter of allocating different factors of production -- land, labor, and capital -- and dividing up the new wealth created in the production process amongst these factors. Each factor received a share of the wealth created in production. Landowners received rent for the use of their land. Those who sold their labor -- workers -- received wages. Those who owned capital -- the "fixed" capital of factories and machines, as well as the variable capital of money to finance the operation of a factory -- received profits. This view remains influential today in the dominant framework of economic theory and public policy in most parts of the world -- **neo-classical** economics. According to neoclassical theory, the profits paid to

capitalists and investors represents a fair payment to capital as a factor of production.

Neoclassical theory predicts that, over the long run, payments to each factor of production will be determined by the marginal productivity of each factor: in order to increase workers' wages and living standards, labor must be made more productive. Workers' productivity can be increased by making the labor process more efficient, by increasing the skills and education of workers, and by using technologies that allow each worker to produce more output of goods or services in the same amount of time.

Marx, and subsequent generations who have been influenced by his work, sees things differently. Payments to capital and to labor are inherently *social relations*. Labor is not simply a factor of production, but a social relation brought about by changes in politics and history that have pushed millions of people into situations where the only way they can survive is to sell their labor. For Marx and latter-day Marxists, class is determined by a person's **relationship to the means of production** -- in other words, a person's role in the workings of the economy. People who own companies, factories, or banks live off profits; these are the *bourgeoisie*. Landowners live off rents. Wage laborers, who live by selling their work for a wage, are the *proletariat*.

For Marx, all value is based on labor. The intrinsic value of any good or service is defined by the socially necessary amount of human labor required to produce it. Obviously, technologies change the way various goods and services are produced and provided, and so the "socially necessary" amount of labor can change dramatically over time; Marxist and neo-classical theorists agree on the importance of productivity and innovation. But the key for Marx is that all value ultimately comes from work -- an axiom known as the **labor theory of value** -- and that value is not the same concept as price. Prices are determined by supply and demand, and there are many circumstances where market prices skyrocket or collapse over very short periods of

time -- even when a particular good or service has not changed at all. Over the long run, if the market price for a particular good or service stays high enough, it will allow a capitalist to make a healthy profit after paying all the costs of production, including the wages paid for labor. Recall the classical and neo-classical interpretation of wages: a fair payment to labor as a factor of production, determined according to the productivity of labor. For a Marxist, however, all value comes from human labor, and the difference between wages and the economic revenues of an enterprise is **surplus value** made possible solely through the labor of workers. “Capitalists pay workers less than the value they produce -- and pocket the difference. This is the root of capitalist exploitation.”⁵ Richard Wolff, a Marxist economic historian, puts it this way:

“Exploitation occurs whenever workers produce a surplus that is immediately received -- ‘appropriated’ was Marx’s word -- by someone other than the workers themselves -- in this case, by the capitalists. Exploitation disappears when the workers themselves receive the surplus they produce, when they get not only the value of their labor power but also the surplus value that formerly went to others. For example, when exploited workers quit jobs in capitalist enterprises to establish instead new enterprises in which they are all both workers and their own board of directors, they thereby stop being exploited. Software engineers in California’s Silicon Valley have been doing that in large numbers for decades.”⁶

Max Weber developed the primary alternative to Marx’s perspective on class. Even today, most interpretations of class can be traced back in one way or another to the alternatives first elaborated by Marx and Weber.

In some ways, Weber sought to build on Marx’s work. Weber viewed Marx’s analysis of capitalism as extremely important and valuable, but also rather one-dimensional. For Weber, it was simply too much of a simplification to claim that the relations of production were the key determinant of social hierarchies.

Weber identified three related but distinct dimensions of social stratification.

1. An **economic order** of *class*. People sharing similar positions in the class structure enjoy roughly similar “life chances” -- opportunities for material rewards, living conditions, and experiences in everyday life. Income and wealth provide the most common way of measuring the economic order.
2. A **prestige order** of *status*. While prestige is related to the economic order, it is not reducible to it. Prestige has a partial autonomy from economic and class relations. Cultural practices come to be associated with higher or lower ranks on the prestige order, and different groups develop different tastes, preferences, social practices, and leisure activities. Contemporary analysts working in the Weberian tradition commonly begin with information on education and occupation to identify variations in prestige and status.

⁵ Phillips, *City Lights*, p. 265.

⁶ Richard Wolff (2007). “Why Communism?” *Rethinking Marxism* 19(3), 322-336, quote from p. 324.

3. A **political order** of *power*. For Weber,

“a person’s position in the power order is determined by the control he or she has over politics and administration. This includes the exercise of formal and informal power. Elected officials and bureaucrats, for example, have formal power that goes with their office.” But, in addition, “Soldiers, gang leaders,

For Weber, social stratification involves three related but distinct dimensions:

1. An **economic order** of class,

2. A **prestige order** of status, and

3. A **political order** of power.

would-be revolutionaries, drug cartel chieftans, lobbyists, and bank presidents know that power also comes from either the barrel of a gun or control over an organization’s purse strings.”⁷

Weber’s approach to social stratification presented important contrasts to Marxist analysis. Marx and contemporary Marxists see a stark dichotomy between capital and labor. But Weber and latter-day Weberians see a much more open and pluralistic

landscape. Wealth, prestige, and power are distributed in more contingent and varied ways, not always reducible to the conflict between capital and labor.

It would be a mistake, however, to view Weber’s approach as superior simply because he identifies three dimensions rather than Marx’s single dominant factor. Moreover, the more pluralistic view of social stratification offered by Weber did not necessarily bring greater optimism for progressive social change. Weber remained deeply pessimistic on what capitalism was doing to social stratification. Weber did not share Marx’s view that capitalism was deeply vulnerable to internal contradictions and crises -- and thus open to challenge, revolution, and more equal socialist alternatives. Weber remained deeply suspicious of large-scale organizations of all kinds. He therefore saw efficient, rational bureaucracy as the dangerous and inevitable outcome of any process of broad historical change -- including the socialist revolutions that held such hope for Marx and his followers.

Current Debates on Class

Marx’s ideas remain controversial, yet inescapable. Marx’s conceptualization of economic control leading to social domination is now widely regarded as overly deterministic. His analysis of inherent, unavoidable class conflict goes against the sensibility of individual opportunity and upward mobility that has become so pervasive in so many of the world’s urbanizing societies. His predictions that the contradictions of capitalism would give rise to a growing class consciousness among exploited workers, and to revolution, have inspired social movements around the world -- while arousing deep suspicion on the part of those who live in or

⁷ Phillips, *City Lights, Third Edition*, p. 359.

In current debates on class:

1. Marxist analysis has been challenged from both the right and the left.

2. The collapse of the Soviet empire changed the politics of studying Marx. After a decade, even investment bankers began to rediscover Marx's analysis of capitalism.

3. The reform paths followed by China since 1978 have challenged Western assumptions on the relations between state power and market processes.

4. There has been a growing interest in studying the expansion and polarization of the "middle class."

twenty years.

First, Marx's perspective on class and its implications for cities has come under attack not just from the conservative right, but from the radical left. His emphasis on the labor theory of value, the alienation of commodity production, and economic roots of social processes came to be seen as economistic and overly deterministic: what about racial and ethnic identities, and gender relations, and other identities?⁸

⁸ David Harvey is one of the most prominent Marxist urbanists. His work was a leading force in the influence of Marxist thought in the 1970s and 1980s, and remains influential as neo-Marxists have sought to reconcile the economic dimensions of class with the recognition of processes of identity formation along 'non-economic' lines. See David Harvey (1996). *Justice, Nature, and the Geography of Difference*. Oxford: Blackwell. David Harvey (2000). *Spaces of Hope*. Berkeley: University of California Press. For one of the most forceful arguments on the need to move beyond a deterministic, economically-class focused analysis (or at least for one of the more playful article titles you'll likely see in an academic journal), read J.K. Gibson-Graham (1993). "Waiting for the Revolution, or How to Smash Capitalism While Working at Home in Your Spare Time." *Rethinking Marxism* 6(2), 10-24.

govern 'capitalist' societies. The intellectual history of the twentieth century was dominated by a struggle between a) those who believed that the repressive state-socialist regimes of the Soviet Union and Eastern Europe were not genuinely socialist, communist, or Marxist, and b) those who believe that the fall of the Soviet empire and its client states vindicates Western-style, democratic capitalism as the only form of political economy that can be reconciled with individual rights and freedoms. Advocates of the former view hold that Marx's ideas remain valid, even if they were distorted by political parties and dictators in the Soviet Union and Eastern Europe. Advocates of the latter view regard the end of the Cold War, and the collapse of the Soviet alternative, as a definitive verdict: capitalism won, and its challengers lost. For most political leaders and those aspiring to power, capitalism is seen as the only form of economic production that can be reconciled with democratic rights and freedoms. Hundreds of books have been written in this debate over the last decade, but we need not resolve these issues in order to appreciate four important developments of the last

Second, the years after the collapse of the Soviet Union have gradually eroded some of the politically threatening dimensions of Marxism, leading to new interest in Marxist theory from unexpected quarters. For several generations, to speak of Marx in the West was to present a serious threat, and at various points it was extremely dangerous to be labeled a Marxist, a communist, a socialist, or a radical. But in the last decade, the political epithets of prior eras have been redefined with the end of the Cold War and the emergence of new kinds of political alignments in many societies. Traditional left-right dichotomies still dominate popular discourse in North America, but in many circumstances the old political labels have now become playful marketing labels. *Forbes* Magazine began promoting itself as the “Capitalist Tool.” Aging sixties radicals poked fun at themselves as they stopped Waiting for The Revolution and bought Volvos, BMWs, or Jaguars, and gradually became what the journalist David Brooks calls “Bourgeois Bohemians,” or BoBos.⁹ More seriously, there is evidence that global economic trends are prompting many investors and corporate executives to use some of the tools of political economy in surprising ways. Many observers are returning to Marx’s writing not as a way of understanding his (very few) specific proposals for socialism and communism, but rather for his insights on how capitalism actually works. Marx was, first and foremost, a student of capitalism. If the world is truly a fully capitalist world, then, Marx’s tools of analysis are more relevant and valuable than ever. Not long ago, John Cassidy, the economics correspondent for the *New Yorker*, recounted an astonishing and amusing conversation with an investment banker who remarked, “The longer I spend on Wall Street, the more convinced I am that Marx was right.”¹⁰

Third, the rise of China has presented a fundamental challenge for theory, politics, and practice. Remarkably, the dominant discourse in the West after the fall of the Soviet empire in the late 1980s and early 1990s managed to ignore China almost completely. In 1978, Deng Xiaoping announced a sweeping series of reforms that put the People’s Republic of China on a remarkable new path.

“The major policy change was in the kaifang (‘opening’) policy, or what might be dubbed the ‘New Open Door’ policy. ... China was opened to foreigners for investment, trade, tourism, technical assistance, and other contacts. The policy of self-reliance was set aside. Rapid growth in links with the outside world had a profound impact, but especially on cities and urban development in the coastal zone, which was earmarked for preferential treatment. The establishment of export processing zones with concessionary tax policies to attract foreign investment included the designation of four special economic zones ... and of 14 ‘coastal open cities’...”¹¹

⁹ David Brooks (2001). *Bobos in Paradise: The New Upper Class and How They Got There*. New York: Simon & Schuster.

¹⁰ John Cassidy (1997). “The Return of Karl Marx.” *The New Yorker*, October 20 & 27, 248-259.

¹¹ Jack F. Williams and Kam Wing Chan (2008). “Cities of East Asia.” In Stanley D. Brunn, Maureen Hays-Mitchell, and Donald J. Ziegler, eds., *Cities of the World: World Regional Urban Development, Fourth Edition*. Lanham, MD: Rowman & Littlefield, 474-527, quote from pp. 515-518.



The Memorial of the Site of the First National Congress of the Communist Party of China, Shanghai, February 2010 (Elvin Wyly). The display on the right showing a countdown -- 53 days to the opening of the Shanghai Expo 2010, with the theme, "Better City, Better Life" -- nicely symbolizes the dramatic transformations of Reform-Era China. Deng Xiaoping's dictum, "To get rich is glorious," has been reconciled with the continued vitality and power of a centralized, hierarchical Communist Party taking an active role in guiding the country's urbanization and economic growth. The coexistence of a dynamic capitalist market economy and a powerful Communist Party is a fundamental challenge to nearly a century of Western political economy, which still presumes a natural linkage between free-market capitalism and multi-party electoral democracy.

Deng Xiaoping famously declared that "To get rich is glorious," and set in motion a wide range of policies encouraging foreign investment, new markets, the privatization of state industries, and eventually the dismantling of many of the collective social-welfare guarantees of the Maoist era of 1949-1976. Yet two features of the People's Republic endured: the unquestioned authority of the one-party political system, and the heavy control of the economy by the state.

Urban life and class relations have been transformed in quite remarkable ways over the past generation. China now has 84 cities with populations over 1 million. China's urban population share (about 50 percent) is much lower than the U.S. and Canada (81 percent). But China's pace of urbanization -- the increase in the share of the society's population living in cities -- is rapid indeed. China's urban population growth rate -- 2.7 percent every year -- is twice the rate for the U.S. and Canada (1.26 percent), and more than twenty times the urban growth rate of Europe (0.12 percent).

Contrasts have widened between China's urban and rural areas,

“between provinces and different regions, and between socioeconomic classes. There is nothing remotely egalitarian about China anymore, within the city or in the countryside.”¹²

Equally important, however, has been the challenge of China's contemporary urbanization path for Western theories of politics and economics. Contemporary China is shaped by the growth of vibrant, dynamic capitalist sectors and markets under the hierarchical authority of a Communist Party that takes an active role in guiding nearly all aspects of the nation's urban and industrial growth. This is a direct contradiction of Western theory, which for a century has presumed a natural linkage between economic and political systems. Western theory viewed dynamic, fast-growing capitalist markets, for instance, as inherently connected to pluralist, multi-party electoral democracies. By contrast, Communist Party rule and central planning were always associated with stagnant, inefficient markets and slow growth.

Fourth, there has been a growing interest in understanding the broad category of 'middle class' and how it reshapes the traditional capital-labor tensions associated with Marx. The sociologist Eric Olin Wright has undertaken extensive studies of changes in class structures, showing how class divisions are shaped by three distinct processes of exploitation, based on ownership of capital assets, organizational assets, and skill assets. Wright's research has identified distinct positions in the broad category of 'middle-class,' and suggests that some people occupy “contradictory class positions.” Wright's findings are echoed in the work of Barbara Ehrenreich, who has studied the historical development and recent crisis of anxiety of the middle class. One of the key dilemmas identified in her book, *Fear of Falling*, is that middle-class professionals sought to protect their privileged position in the labor market by creating barriers to entry (educational credentials, accreditation, certification, professional association membership, etc.) that would exclude lower-class people. Unfortunately, many of these barriers soon made it more difficult for the children of middle-class professionals to gain entry into professional lines of work.¹³

“He was blessed with an unconventional mind, which overcame his conventional middle-class upbringing...”

The 'junk-bond king' Michael Milken, as described by Michael Lewis (1989). *Liar's Poker*. New York: Norton, p. 263.

¹² Williams and Chan, “Cities of East Asia,” p. 519.

¹³ Barbara Ehrenreich (1989). *Fear of Falling: The Inner Life of the Middle Class*. New York: Harper Perennial.

Class in the Metropolis

For inter-urban class relations,

1. Globalization has put locally-oriented capitalists (those tied to the fortunes of particular cities) at a disadvantage compared to capitalists able to exploit rapidly-shifting transnational investment opportunities.

2. Global economic restructuring has profoundly worsened the fortunes of low-income renters and working-class homeowners, especially in older, deindustrializing cities.

3. Cities tied closely into networks of globalization are developing more unequal and polarized class structures.

distant city, and leaving behind multiple generations of friends and relatives. Moreover, for those workers who were able to save enough to buy homes during the good economic times, recession exacts a double penalty: you lose your job, and your home becomes virtually worthless.¹⁴ On the other hand, in rapidly growing cities, the weak position of contemporary labor laws and collective bargaining rights have muted the effects of labor demand on wages: in other words, rapid growth does not always mean rising wages, particularly for those without extensive formal educational credentials. But low-wage workers in these fast-growth areas must cope with extremely expensive housing markets, making it difficult to accumulate assets, or to invest in one's own education and skills development.

What makes class relations specifically urban? At the inter-urban scale -- between cities -- contemporary class relations shape the opportunities for elites as well as wage-laborers.

1. Capitalists and investors whose fortunes are tied to particular cities (especially those who built or inherited locally-oriented businesses) are more vulnerable to recessions and declines in profit rates than those able to spread investments across multiple regions. The ongoing process of uneven development and the widening disparities between growth centers and areas of decline, therefore, tends to privilege some capitalists while hurting others.

2. Those with only their labor to sell are particularly vulnerable in the process of urbanization, whether it involves rapid growth or general decline. In declining cities, such as long-established industrial regions buffeted by repeated economic shocks and job losses, workers are faced with difficult choices. Finding a job may require moving to a

¹⁴ Blair Badcock (1994). "Urban and Regional Restructuring and Spatial Transfers of Housing Wealth." *Progress in Human Geography*.

3. Class relations across different cities are also shaped by contemporary processes of globalization. Many prominent analysts believe that ‘global’ cities – New York, London, Tokyo, and other large cities positioned at strategic ‘command and control’ sites for the global economy – act to concentrate and magnify both wealth and poverty. As cities globalize, they become ever more polarized. There is some evidence, however, that class inequalities are increasing in many different kinds of cities as well as in rural areas. Polarization may simply be more visible and vivid in large ‘global’ cities. Nevertheless, it is clear that urban class relations are changing dramatically elsewhere in the global urban system. The emergence of “postindustrial” society only applies to the wealthy economies of the core (particularly Japan, Western Europe, Canada and the United States). Manufacturing and industrialization remain crucial to economic growth and urbanization in China, India, and many other countries. The urban proletariat that Marx saw in Germany and Britain in the nineteenth century is now found in the expanding industrial cities of China and India.¹⁵

¹⁵ Neil Smith (2002). “New Globalism, New Urbanism: Gentrification as Global Urban Strategy.” *Antipode* 34(3), 427-450.



Motown, Down for the Count. Detroit, Northeast of downtown, July 2010 (Elvin Wyly). Contemporary class relations often put wage-workers in extremely vulnerable positions, thanks to the speed and volatility of global investment capital. In late 2008, the world economy fell into the worst crisis since the Great Depression of the 1930s. The crisis, which originated in risky home-lending practices in the United States, quickly destabilized investment markets around the world, and then triggered painful job losses across Europe, North America, and hundreds of export-factory cities across China. Many wage workers in distressed cities in North America took a double hit -- thrown out of work at precisely the time their home values began to plummet. Even if an unemployed worker could find out about a new job opportunity in another city or region, the depressed home value would make it impossible to sell and move. These forces all came together in painful ways in 2008 and 2009 in Detroit and a number of other “rust-belt” cities. The City of Detroit has been losing population since the 1950s, and when the global economic crisis hit, General Motors and Chrysler teetered on the edge of bankruptcy. The crisis worsened an inner-city housing market that had been devastated for years, and Detroit suddenly became famous around the world for cheap houses. An estimated 12,000 homes stood empty in late 2008. Note all the green space and empty lots in this neighborhood, less than a mile northeast of the city center; homes once stood on these lots, but over the years, poverty, abandonment, and demolition have gradually returned the urban residential environment to a surreal state of urban nature. In the fall of 2008, real-estate brokers were listing Detroit homes for as little as US\$649. “If you’ve got just a little money coming in, you can afford to live here,” said Lolita Haley, an agent at Prime Financial Plus. “I’ve had people call me from as far away as India in search of property at these prices.” Houses at these prices, however, are usually in very poor shape, damaged by squatters or looters; these homes thus don’t meet minimum standards of safety or building code requirements, and there is also usually a hefty past-due property tax bill and other steep legal costs. Andrew Clark (2008). “For Sale at \$1,250: the Detroit Houses Behind the Sub-Prime Disaster.” *The Guardian*, October 24.

Class relations *inside* cities are, in many ways, even more vivid.

First, there is a long tradition of narrative description that documents the harsh urban spatial realities of class polarization. Engels' account of Manchester is the gold standard. In the horrendous "crowding of the great city" we see that "the social war, the war of each against all, is here openly declared. ... people regard each other only as useful objects; each exploits the other, and the end of it all is, that the stronger treads the weaker under foot, and that the powerful few, the capitalists, seize everything for themselves, while to the weak many, the poor, scarcely a bare existence remains."¹⁶ Crucial to this social war, however, is the spatial structure of the city:

For class relations inside the metropolis,

1. Urban spatial structure serves to conceal or justify class inequality.

2. Urban structure helps to reinforce and reproduce unequal class relations.

3. Housing, always a key axis of inequality in the capitalist city, became even more polarized when integrated into volatile transnational debt and investment markets.

4. A series of "Right to the City" movements have emerged to mobilize the diversity of urban life for the common goal of challenging inequality.

"The whole assemblage of buildings is commonly called Manchester, and contains about four hundred thousand inhabitants, rather more than less. The town itself is peculiarly built, so that a person may live in it for years, and go in and out daily without coming into contact with a working-people's quarter or even with workers; that is, so long as he confines himself to his business or to pleasure walks. This arises chiefly from the fact, that by unconscious tacit agreement, as well as with outspoken conscious determination, the working-people's quarters are sharply separated from the sections of the city reserved for the middle class; or, if this does not succeed, they are concealed with the cloak of charity."¹⁷

The city is sharply demarcated by an exclusive commercial core, a 'girdle' of working quarters cut through by heavily-traveled thoroughfares extending outward, and then beyond this, a fringe where the upper and middle bourgeoisie live.

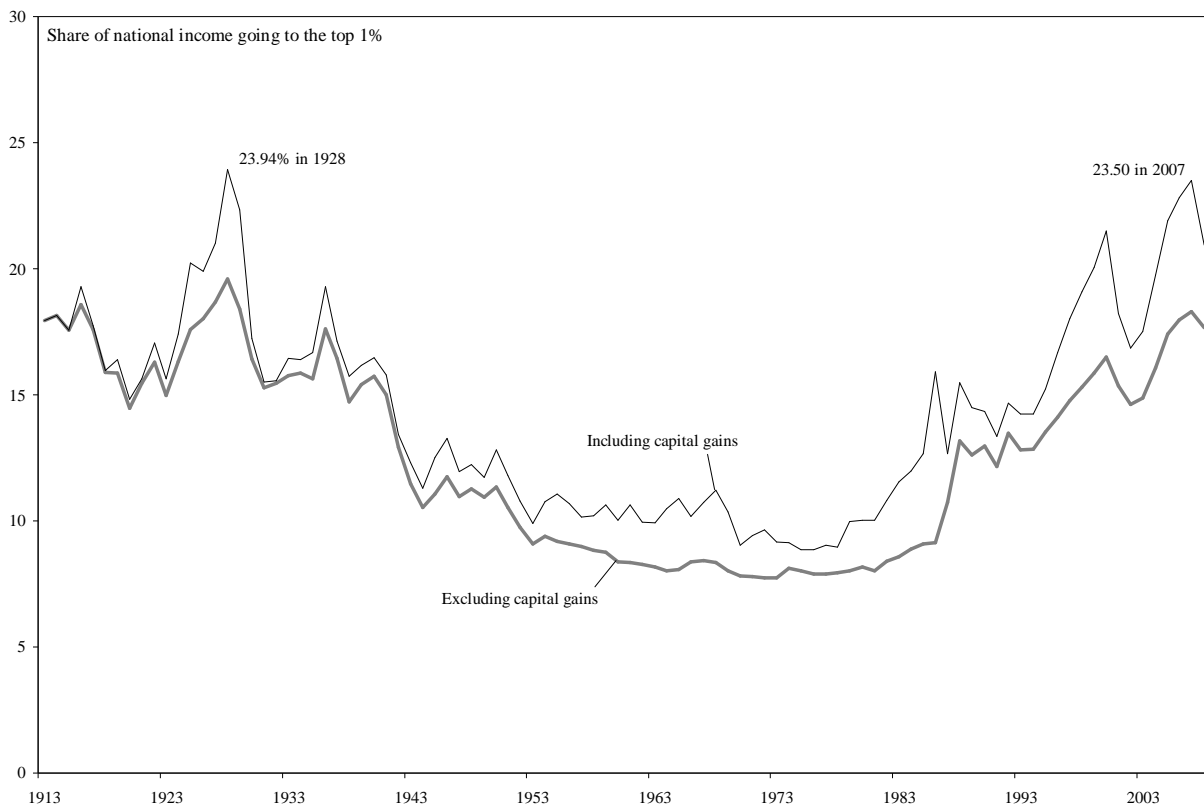
"And the finest part of the arrangement is this, that the members of this money aristocracy can take the shortest road through the middle of all the labouring districts to their places of

¹⁶ Friedrich Engels (1845). "The Great Towns." In *The Condition of the Working Class in England in 1844*, reprinted in Richard T. LeGates and Frederic Stout, editors (2000). *The City Reader*. New York: Routledge, 46-55, quote from p. 48.

¹⁷ Engels, "Great Towns," p. 49.

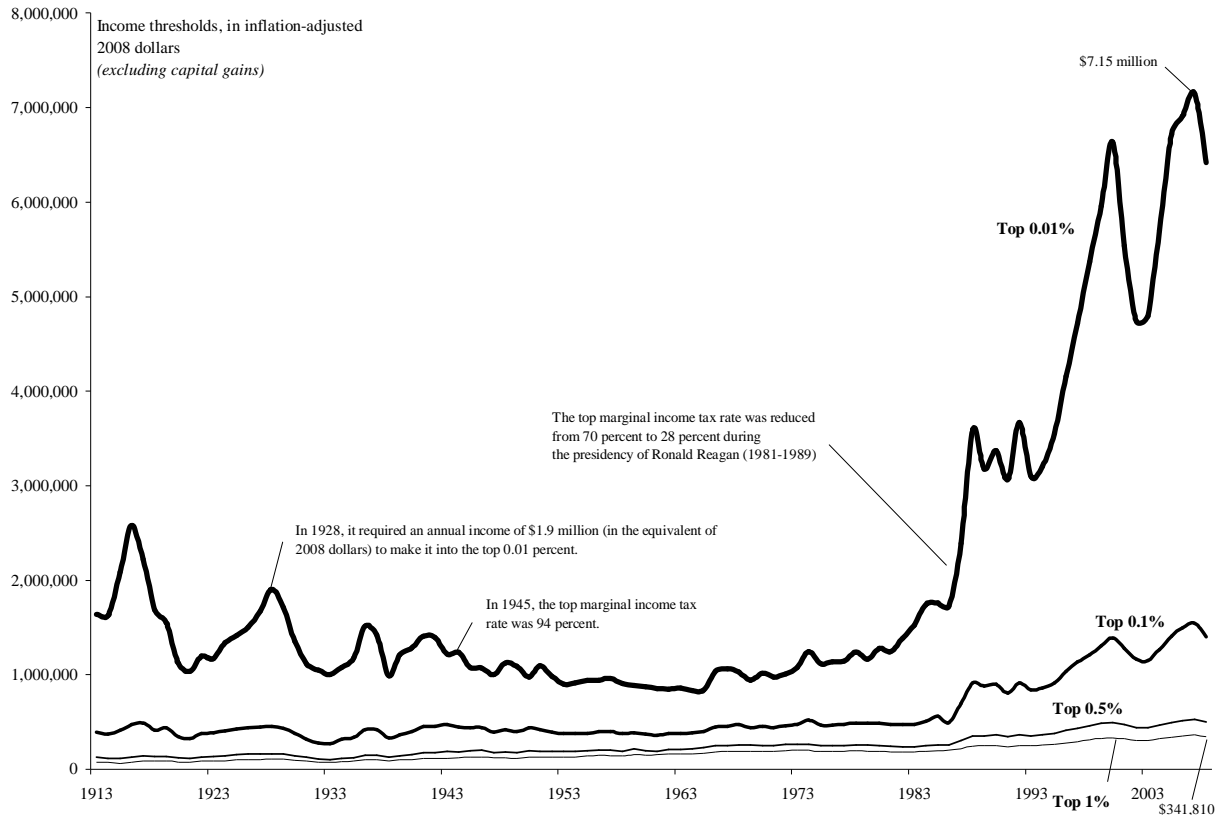
business, without ever seeing that they are in the midst of the grimy misery that lurks to the right and the left. For the thoroughfares leading from the Exchange in all directions out of the city are lined, on both sides, with an almost unbroken series of shops, and are so kept in the hands of the middle and lower bourgeoisie, which, out of self-interest, cares for a decent and cleanly external appearance and *can* care for it. True, these shops bear some relation to the districts which lie behind them, and are more elegant in the commercial and residential quarters than when they hide grimy working-men's dwellings; but they suffice to conceal from the eyes of the wealthy men and women of strong stomachs and weak nerves the misery and grime which form the complement of their wealth."¹⁸

Engels' approach inspired generations of radicals in the nineteenth century, before being forgotten and neglected. But new generations found Engels a prescient guide to the urban inequalities and social movements that emerged in cities around the world beginning in the 1960s. Even today, his descriptive style is emulated by countless urban scholars and activists documenting the spatial configurations of wealth and poverty in hundreds of cities around the world.

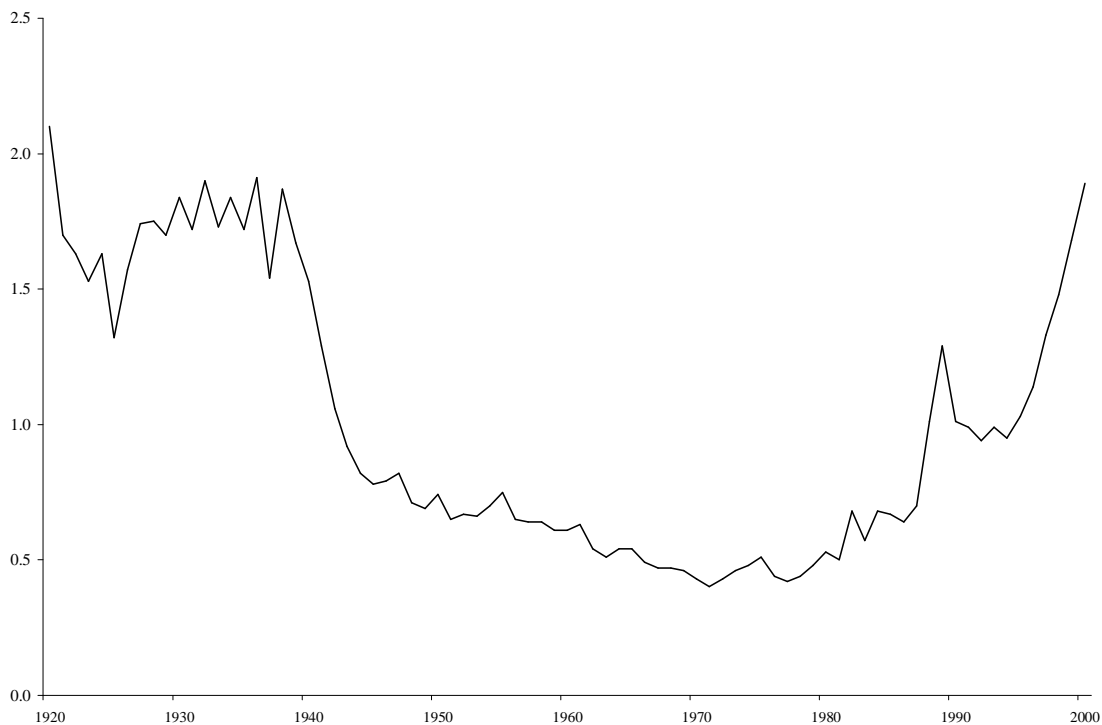


Income Share of the Top 1 Percent in the United States. *Data Source:* Derived from Internal Revenue Service tax returns and other sources, and released by Emmanuel Saez (2011). "Income Inequality in the United States, 1913-2008." Berkeley: Center for Equitable Growth, University of California, Berkeley.

¹⁸ Engels, "Great Towns," pp. 49-50.

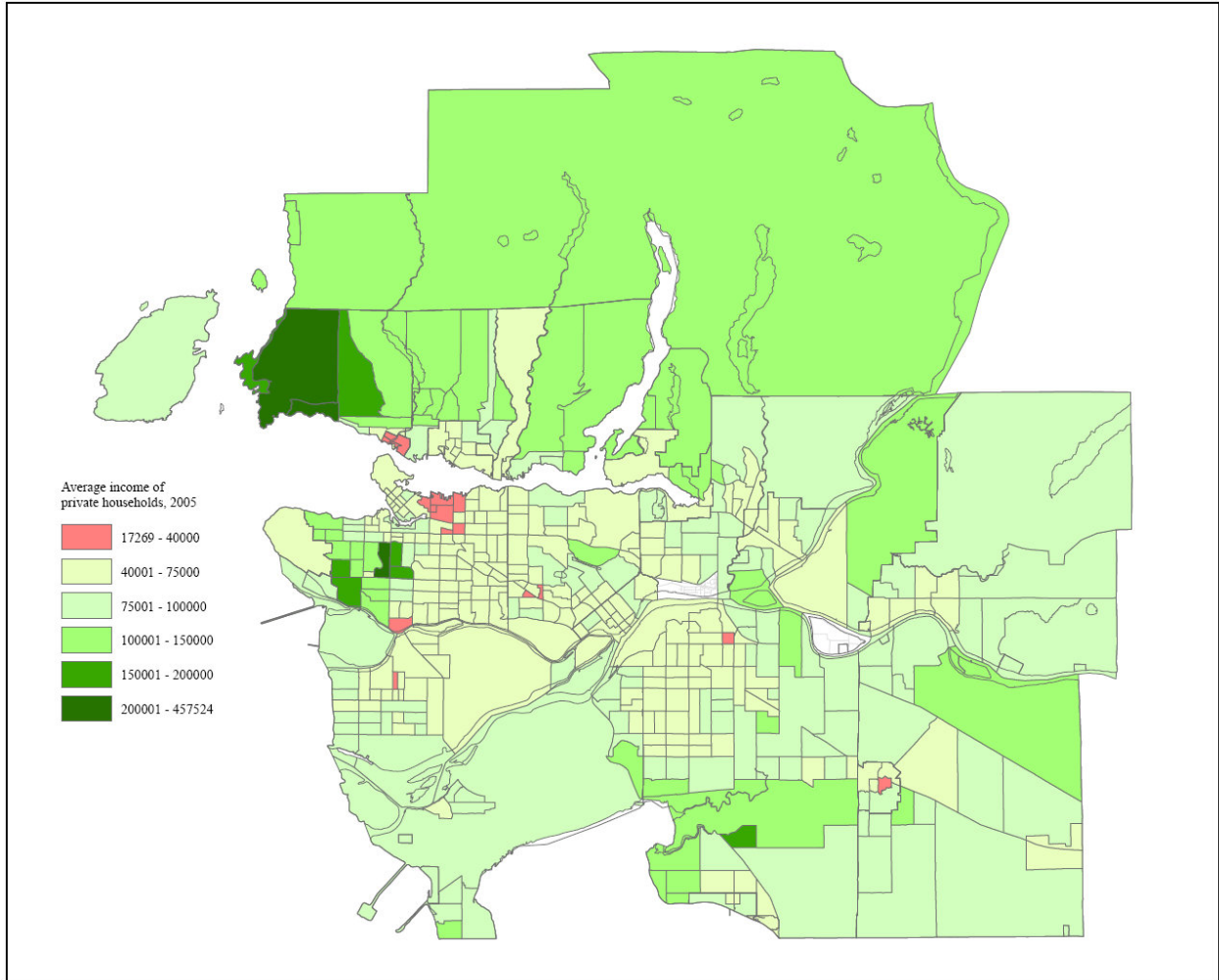


Income Thresholds at the Top in the United States. *Data Source:* Derived from Internal Revenue Service tax returns and other sources, and released by Emmanuel Saez (2011). “Income Inequality in the United States, 1913-2008.” Berkeley: Center for Equitable Growth, University of California, Berkeley. After adjusting for inflation, the average income of the richest 1 percent of Americans increased by 275 percent from 1979 to 2007; for the poorest twenty percent, average after-tax income grew by 18 percent. The richest fifth of the population had 53 percent of all income in 2007: these households had more income than the other 80 percent of the population. See Robert Pear (2011). “Top Earners Doubled Share of Nation’s Income, Study Finds.” *New York Times*, October 25.

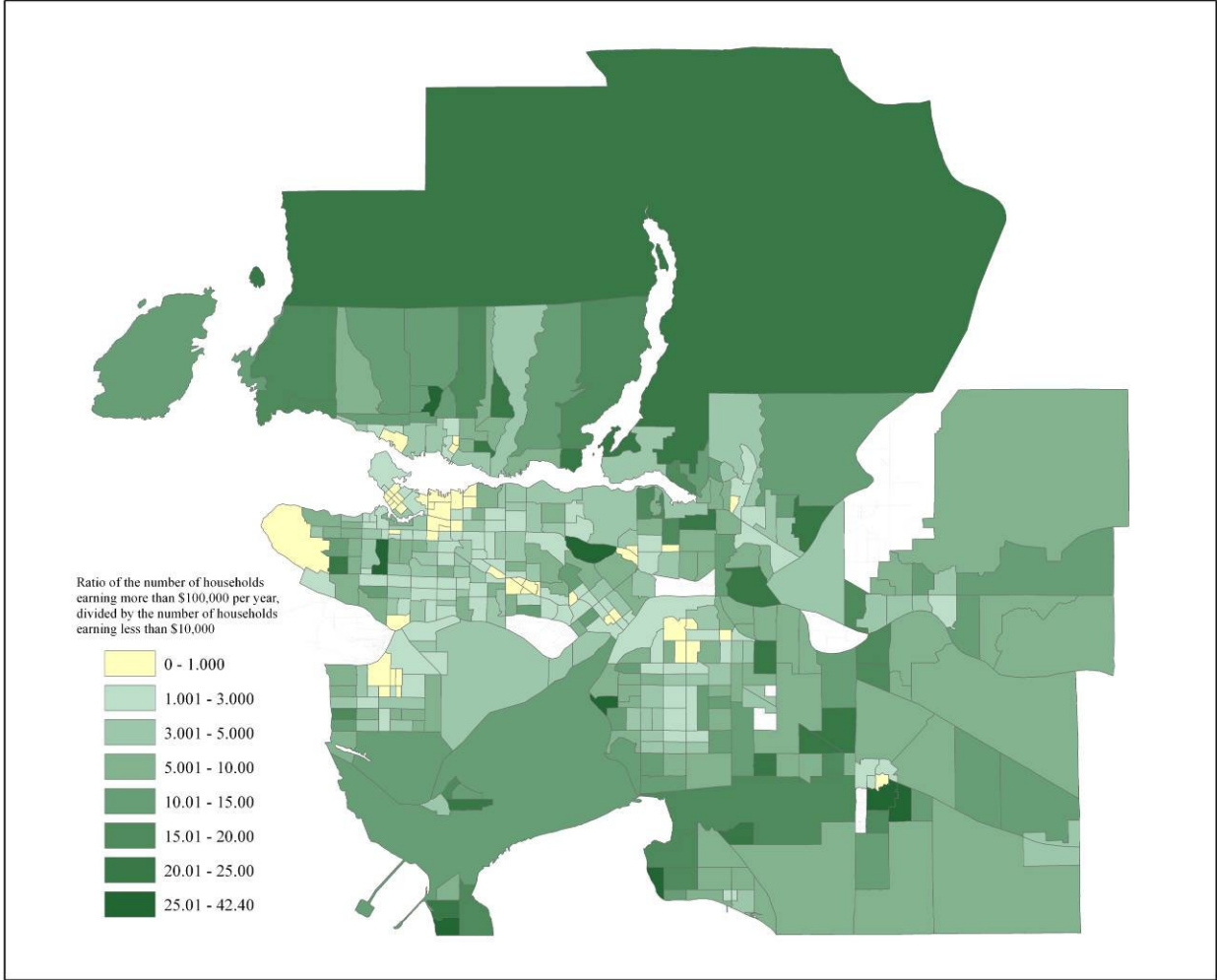


Income Shares for Canada's Richest 1 Percent (top) and Richest 0.01 Percent (bottom). *Data Source:* Emmanuel Saez and M. Veall (2007). "The Evolution of High Incomes in Canada, 1920-2000." In A.B. Atkinson and T. Piketty, eds, *Top Incomes Over the Twentieth Century*. New York: Oxford University Press. Updates from M. Veall, 2010. *Top Income Shares in Canada: Updates and Extensions*. Department of Economics, McMaster University.

Second, urbanists have studied how urban structure itself contributes to class inequality. Put simply, urban space does not simply reflect class structure -- it *reproduces* class relations. The Marxist geographer David Harvey developed a comprehensive theory of how urbanization helped to reproduce class relations that, over the long term, tended to mute opposition to capitalism. The expansion of homeownership and suburbs, for example, helped to displace class identities from the workplace to the home and the residential neighborhood -- so that different groups of workers would find themselves at odds over neighborhood differences, and would find it harder to see their shared interests against wealthy capitalists. Moreover, political and economic variations across urban space help to reproduce class relations: growing up in a working-class neighborhood is likely to increase the chance that someone will be socialized into becoming a member of the working class, while growing up in elite bourgeois privilege gives children in these places a running start at becoming members of the capitalist class. This "social reproduction of class" argument inspired considerable debate. Feminist-socialist theorists refined the theory, drawing attention to the fact that many women occupy contradictory class positions. In Weberian terms, and when considered in terms of the neighborhoods where they live, many upper-middle-class women have very favorable opportunities and life chances. But in the labor market, many middle-class women continue to face discrimination, and thus they may face even more exploitative labor situations than working-class men. The rising share of women in the workforce, therefore, changes the picture of class divisions in the metropolis -- creating a greater diversity of identities across working-class as well as upper-middle-class neighborhoods.



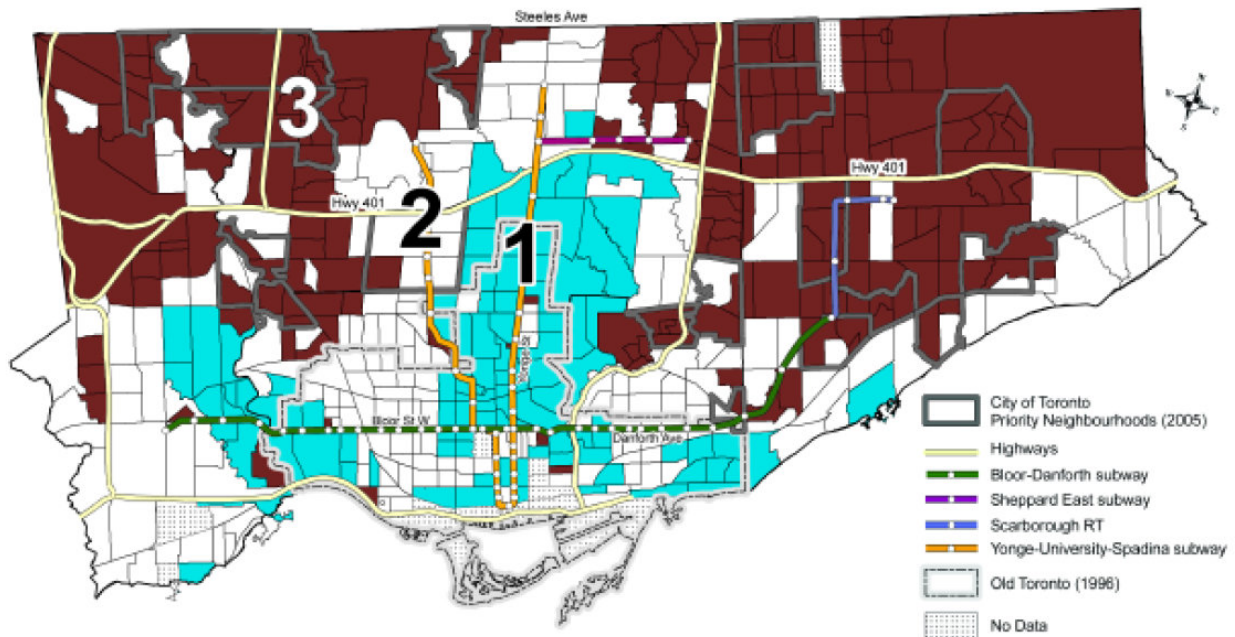
Neighborhood Incomes in the Vancouver Metropolitan Area, 2005. Most measures of social class -- education, occupation, income, wealth -- are remarkably uneven across different city neighborhoods. Map by Elvin Wylly; *Data Source:* Statistics Canada (2007). *Census Tract Profiles, 2006 Census of Canada, Vancouver Census Metropolitan Area.* Ottawa: Statistics Canada.



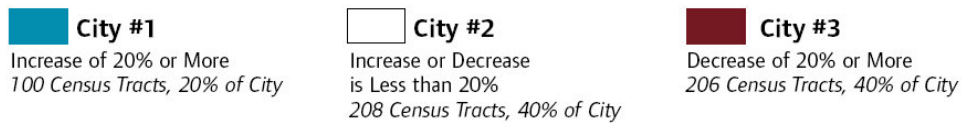
Intra-Neighborhood Inequality in the Vancouver Metropolitan Area, 2005. In areas shaded yellow, there are more households with annual incomes less than \$10,000 than households with incomes over \$100,000. In areas shaded green, high-income households outnumber low-income households. In the areas shaded darkest green, there are at least 25 high-income households for every 1 low-income household. Map by Elvin Wylly; *Data Source:* Statistics Canada (2007). *Census Tract Profiles, 2006 Census of Canada, Vancouver Census Metropolitan Area.* Ottawa: Statistics Canada.

MAP 1: CHANGE IN AVERAGE INDIVIDUAL INCOME, CITY OF TORONTO, RELATIVE TO THE TORONTO CMA, 1970-2005

Average individual income from all sources, 15 years and over, census tracts



Change in the Census Tract Average Individual Income as a Percentage of the Toronto CMA Average, 1970-2005



Note: Census Tract 2001 boundaries shown. Census Tracts with no income data for 1970 or 2005 are excluded from the analysis. There were 527 total census tracts in 2001

The “Three Cities” of Toronto. Change in Average Individual Income, City of Toronto, 1970-2005. There are “three distinct Torontos. ... Cities have always had pockets of wealth and poverty. Neighbourhoods in the great cities of the industrialized world have undergone many transitions over the course of their history. However, the city of Toronto’s neighbourhood transition has been relatively sudden and dramatic.” The number of census tracts with incomes near (20 percent above to 20 percent below) the Census Metropolitan Area average declined from 66% in 1970 to 29% in 2005, while the share of very high income neighborhoods shot up (from 7% to 15%) and the share of very low income neighborhoods increased (from 1% to 13%). J. David Hulchanski (2010). *The Three Cities Within Toronto*. Toronto: Centre for Urban & Community Studies, University of Toronto. Quote from p. 3. Map reproduced under Creative Commons attribution, noncommercial, no-derivatives 2.5 license.



Ubiquitous Inequality? Los Angeles, March 2008 (Elvin Wyly). Most analyses of urban class highlight the profound unevenness and inequality of wealth and opportunities throughout the metropolis. Yet every city, and every city neighborhood, has its own internal inequalities -- with a mixture of people in different class positions. Enid Arvidson analyzed class relations in the Los Angeles metropolitan region, and undertook a laborious translation between the technocratic categories used in the U.S. Census and more theoretically meaningful class groupings. Some of the categories used in Arvidson's classification are at the heart of Marxist class theory -- "capitalist fundamental" workers are directly involved in the appropriation of surplus value from workers, or they are exploited sellers of their own labor power; capitalist 'subsumed' workers -- managers, merchants -- are involved in the distribution of surplus value once it has been appropriated from wage-workers. The other class categories measured by Arvidson -- independent, feudal, nonclass, and unemployed -- are those that do not fit neatly into the traditional Marxist dichotomy between the bourgeoisie and proletariat. Independent workers are the self-employed (who appropriate their own surplus value); feudal relations prevail among unpaid family workers; and "non-class" workers are those employed by governments and not-for-profit institutions.

Remarkably, when Arvidson added up all the number of workers in each category, she found that the *exceptions* to the old capital/labor dichotomy constitute a majority of the labor force. Moreover, when she mapped the distribution of these workers, she found them across all parts of the Los Angeles region. People in non-capitalist identities, therefore, can be found across all parts of the metropolis. "The point of mapping class ... is, literally, to put it on the map. Alongside struggles against racial injustice, unfair income distribution, and occupational segmentation, this mapping hopes to 'place' struggles against exploitation and struggles over surplus distribution. As this mapping shows, roughly one quarter of Los Angeles's work force is directly exploited. That is, these workers, despite their many occupational, racial, income, and locational differences, all have the fruits of their labor appropriated from them without compensation or say The remaining three quarters of workers all rely, directly or indirectly, on the distributions of appropriated surplus as conditions for their livelihood...." Enid Arvidson (2000). "Los Angeles: A Postmodern Class Mapping." In J.K. Gibson-Graham, Stephen A. Resnick, and Richard

D. Wolff, eds., *Class and Its Others*. Minneapolis: University of Minnesota Press, 163-189, quote from pp. 184-185.

Third, one of the key urban insights of class relations in recent years has been the changing role of housing and the capital markets -- stock markets and the terms under which households borrow money to buy homes. Since the late 1960s, sociologists and other urbanists have recognized the important role of housing wealth in complicating the simple dichotomies of *bourgeoisie-proletariat*. But the creation of sophisticated secondary markets in the last twenty years seems to have changed this process, creating vast new opportunities as well as wide inequalities in the fortunes of individual homeowners. For those who buy affordable homes in neighborhoods that are unlikely to see major house price appreciation, the home is just that -- a place to live, and a reasonable way of accumulating some personal wealth. But for those able to buy homes in exclusive markets, the home can be a powerful tool of accumulation. Robert Brenner, an economic historian at UCLA, documents the financial portfolio details of this change, and shows how policies in the first decade of the twenty-first century presented a fascinating, bizarre transformation of some of the ideas of the influential economist John Maynard Keynes. The Chairman of the U.S. Federal Reserve Board, for instance,

“was acutely conscious of the depressive impact on the economy of both Clinton’s moves to balance the budget and the new take-off of the dollar. He therefore looked to the wealth effect of the stock market to offset these by jacking up corporate and household borrowing, and thereby investment and consumer demand. In effect, the Federal Reserve replaced the increase in the public deficit that was so indispensable to U.S. economic growth during the 1980s, with an increase in the private deficit during the second half of the 1990s – a kind of ‘stock-market Keynesianism.’”¹⁹

One result of this has been a magnification of the inequalities for different social classes, in terms of their relations with capital markets, debt, and property ownership. In general, privileged people with homes and capital investments did very well under recent policies, while renters and lower-income workers fell farther behind in relative terms -- and, in some cases, in absolute terms. The boom in asset prices in the first decade of the twenty-first century, moreover, could not last forever: housing prices began to slip in 2006 and 2007, undermining the risky financial practices that had become such a lucrative enterprise for brokers, banks, and Wall Street investment houses. In 2008 the financial systems of the U.S. and many Western European countries went into a catastrophic collapse, sending the globe into the first truly worldwide financial crisis since the Great Depression of the 1930s. The results brought quick economic pain for working-class people in cities around the world. Thousands of workers were quickly laid off from the giant factories in Shenzhen and other cities of China’s Pearl River Delta, thanks to the sudden collapse of consumer demand in the U.S. and Western Europe. Thousands of unionized jobs for assembly-line workers in Southern Ontario and Michigan were suddenly at risk, thanks to the steep drop in demand for new automobiles. Soon, more than two million U.S. homeowners faced foreclosure, and at least ten million owners discovered that they owed more on their mortgages than their homes were worth.

¹⁹ Robert Brenner (2004). “New Boom or New Bubble?” *New Left Review* 25, January/February, 57-100, quote from p. 61.

Fourth, the urban scale has become a significant new feature of contemporary class politics. The **Right to the City Coalition** is a growing international alliance of academics and activists who question the priorities of a worldwide urbanism driven by profits instead of human needs. A generation ago, dissidents and activists seeking to challenge global capitalism sought to build solidarity among workers on the basis of class. The rapid realignment of industrial structures in so many parts of the world, however, undermined labor unions as well as social movements rooted in workplace-based interests. Even as unions and other class-based movements were harder to sustain, new social movements were becoming ever more diverse in terms of race, ethnicity, gender, sexuality, disability, and other facets of identity. Cities, as the leading edge of social difference and diversity, emerged as an ever more important means of finding unity among diversity. This particular movement was formally launched with the “World Charter of the Right to the City” at the World Social Forum in 2004, and grew quickly, “born out of the power of an idea of a new kind of urban politics that asserts that everyone, particularly the disenfranchised, not only has a right to the city, but as inhabitants, have a right to shape it, design it, and operationalize an urban human rights agenda.” But if the Right to the City Coalition was the movement most explicitly inspired by urban studies theory -- organizers borrow the phrase and its concepts from the writings of the French theorist Henri Lefebvre in the 1960s²⁰ -- it was not alone. In the Fall of 2011, Vancouver-based Adbusters magazine’s suggestion to “occupy Wall Street” was taken up by a small band of protesters in New York. Within weeks, the occupation grew dramatically, and spread to hundreds of cities around the world.



Take Back the City! Right to the City Coalition, <http://righttothecity.org>

²⁰ Right to the City Coalition (2010). “Our History.” New York: Right to the City Coalition. <http://righttothecity.org/our-history.html>



“Occupy Wall Street” comes to Washington, DC (below) and Vancouver (above), October 2011 (Elvin Wylie). Vancouver-based *Adbusters* magazine called for an “occupation” of Wall Street. The “Arab Spring” uprisings in Tunisia, Egypt, and Libya served as inspiration to call for an uprising in New York to protest policies that bailed out the most powerful financial institutions in the world -- while imposing harsh budget cuts on programs for middle-class and poor people, amidst worsening inequality between the richest 1 percent of the population and “the other 99 percent.” On September, 17, a small group of activists went to Zucotti Park, a privately owned public park in Lower Manhattan not far from the New York Stock Exchange. At first the activists were ignored, then dismissed as a hard-left fringe. But the protests grew quickly, and soon spread to many other cities. By the fifth week, “Occupy” events had been held in more than 1,000 cities in more than one hundred countries around the world. The movement is diverse and non-hierarchical, and is therefore widely criticized by journalists and political officials for its lack of specific policy positions. If there is one unifying theme, however, it seems to be class inequality: “We are the 99



percent. We are getting kicked out of our homes. We are forced to choose between groceries and rent. We are denied quality medical care. We are suffering from environmental pollution. We are working long hours for little pay and no rights, if we’re working at all. We are getting nothing while the other 1 percent is getting everything. We are the 99 percent.” Quoted in Kurt Iveson (2011). “Editorial Comments: Occupy Wall Street/The World.” *City* 15(5), 501-503, quote from p. 501.