a. Economic Change and Social Inequality: Case Study Detroit USA

- Background

In the USA many of the heavy manufacturing industries were located in the North of the country in cities such as Chicago and Detroit. This has become known as the "Rust Belt" as globalisation and out sourcing of many industries to low wage Asian countries has decimated those industries. In cities like Detroit, entire neighbourhoods have been abandoned as high paying manufacturing jobs notably in the car industry vanished and the workers along with them. Rust belt to sun-belt migration has also occurred, with people moving to warmer climates in the South of the USA. A Huffington Post article asserted that it was because of "racial strife," the loss of "good-paying [sic] assembly line jobs," and a population who fled "to pursue new dreams in the suburbs that Detroit has declined.

The expansion of the auto industry nearly a century ago fueled a growth spurt that made Detroit the fourth largest city in the country. By 1950, the population peaked at almost 1.85 million as people moved to Detroit to work at the Big Three auto companies: Ford, General Motors and Chrysler. But it was at the height of this prosperity that the manufacturers began to restructure, and the risks of the city's reliance on a single industry became apparent, according to Thomas J. Sugrue's essay "Motor City: The Story of Detroit."

From 1910 to 1970, millions of African-Americans had migrated from the South in pursuit of manufacturing opportunities in Detroit. Prior to this Great Migration, the African-American population in Detroit was approximately 6,000. This brought with racial tensions which have been an issue for the city ever since.

Detroit is geographically very large. At 138 square miles (357km2), the city could accommodate Boston, San Francisco, and Manhattan all within its limits. But in order to maintain this expansive territory, a great deal of funds are needed. As people started to leave, they took with them their tax revenues and labor. Over time, as the tax base decreased, so did the city's social and municipal services. Detroit is particularly difficult to maintain because its residents are so spread out. There is too much infrastructure relative to the level of demand. This means large sections of the city are left unused and unrepaired. A scattered population also means law, fire, and emergency medical personnel have to travel greater distances on average to provide care. Moreover, since Detroit has experienced consistent capital exodus for the past forty years, the city is unable to afford an adequate public service workforce. This has caused crime to skyrocket, which further encouraged rapid out-migration.

- **Economic Change**

When the car industry experimented with automation in the 1970s, replacing assembly-line jobs with machinery, tens of thousands of jobs were lost. The industry shrank even more during the energy crisis in the 1970s and the economic recession

in the 1980s. And foreign competition caused profits to plummet. As auto jobs moved elsewhere and the region aged, Detroit's labour costs — retiree health care costs, especially — increased substantially.

Today, Detroit has become a symbol of urban decay. Detroit's infrastructure is crumbling and the city is operating at $300 million dollars short of municipal sustainability.

Detroit lacked industrial diversification. The city was very dependent on the automobile industry and manufacturing. Its location was ideal for heavy production because of its proximity to Canada and its access to the Great Lakes. However, with the expansion of the Interstate Highway System, globalization, and dramatic inflation in labor costs brought on by unionization, the city's geography soon became irrelevant. When the Big Three (Gerneal Motors, Ford, Chrysler) started moving car production out of greater Detroit, the city had few other industries to rely on.

http://www.nytimes.com/interactive/2013/08/17/us/detroit-decline.html?_r=0

https://www.theguardian.com/cities/2014/apr/03/the-death-of-a-great-american-city-why-does-anyone-still-live-in-detroit#img-4

The average price of homes sold in Detroit in 2012 was $7,500; as of January 2013 47 houses in Detroit were listed for $500 or less, with five properties listed for $1. Despite the extremely low price of Detroit properties, most of the properties have been on the market for more than a year as the boarded up, abandoned houses of the city are seldom attractive to buyers.[40] *The Detroit News* reported that more than half of Detroit property owners did not pay taxes in 2012, at a loss to the city of $131 million (equal to 12% of the city's general fund budget).

- **Social Exclusion and Inequality Issues**

About 36 percent of the city's population is below the poverty level, and, by 2010, the residential vacancy rate was 27.8 percent.

According to the U.S. Department of Labor Bureau of Labor Statistics, of the 50 largest cities in the country, Detroit has the highest unemployment rate, at 23.1%. With fewer people paying taxes, the city has starved financially and has struggled to maintain social services.

Swaths of the city are in total darkness because of nonfunctioning street lights (40% don't work).

And the **average police response time, including top priority calls, is 58 minutes, according to a report by the emergency manager.**

The **student enrollment at Detroit's public schools has drastically declined** to 52,981 in 2012 from 164,496 in 2002, according to Michelle A. Zdrodowski, a spokeswoman for the district. In response, several school buildings have been shuttered.

Poverty has been exacerbated by middle-class black families' moving to the suburbs to pursue jobs or better schools, and to escape crime. Meanwhile, the **city's poor have stayed in inner Detroit or in locations like those near the airport like Ravendale**.

The city's **unemployment rate is about 19 percent**, but the lack of a transportation system has prevented residents from commuting to jobs elsewhere. A plan to cut retiree pensions, which some estimate account for $3.5 billion of the city's $18 billion in debt, could worsen the lives of some. Detroit's problems, include 18% unemployment, 36% poverty, and 58% population decline.

Detroit is now the **crime capital of America**, with 7 out of 10 crimes unsolved. More than a million people have left the city since its prominent fifties. There are a multitude of reasons as to why Detroit's fell apart, but all the fundamental causes are rooted in geography. with a rate of 62.18 per 1,000 residents for property crimes, and 16.73 per 1,000 for violent crimes (compared to national figures of 32 per 1,000 for property crimes and 5 per 1,000 for violent crime in 2008).[57] Detroit's murder rate was 53 per 100,000 in 2012, ten times that of New York City.[58] A 2012 Forbes report named Detroit as the most dangerous city in the United States for the fourth year in a row. It cited FBI survey data that found that the city's metropolitan area had a significant rate of violent crimes: murder and non-negligent manslaughter, rape, robbery, and aggravated assault.[59][60]

According to Detroit officials in 2007, about 65 to 70 percent of homicides in the city were drug related.[61] The rate of unsolved murders in the city is at roughly 70%

Many of America's older cities faced a de-industrialization crisis starting in the 1970s, but most of them were able to establish an urban resurgence. The success of cities like Minneapolis and Boston and even Philadelphia is reflected on their high number of college graduates (over 43%) and their entrepreneurial spirit. In many ways, the success of the Big Three motor companies inadvertently restricted entrepreneurship in Detroit. With the high wages earned on the assembly lines, workers had little reason to pursue higher education. This, in conjunction with the city having to reduce the number of teachers and after-school programs due to declining tax revenues has caused Detroit to fall behind in academics. Today, only 18% of Detroit adults have a college degree (verses a national average of 27%), and the city is also struggling to control the brain drain.

But poor urban planning and a lack of vision and investment along with decline in traditional industries has resulted in a **poor public realm.** Detroit's streetscape is simply major corridors with long stretches of anonymous single-story commercial buildings, with few trees or other landscaping. Signs, banners, awnings and decorative lighting are noticeably lacking. Overhead electrical wires extend for miles, and streets have been rigidly engineered with road signs and markings. The city's corridors are not pedestrian friendly. It is a soulless place. But this is Detroit, a city that has lost so much of the income and tax base needed to support the commercial areas and supporting infrastructure. That means empty buildings, broken sidewalks, poor street conditions, and a continuing spiral of decline.

The Origins of the Urban Crisis by Thomas Sugrue, argues that housing and racial discrimination practices put in place after World War II played a primary role in the decline of Detroit so it is not purely about deindustrialization and global shift but instead a complex web that has led to social exclusion and inequality being focused on unskilled black workers in the inner city.
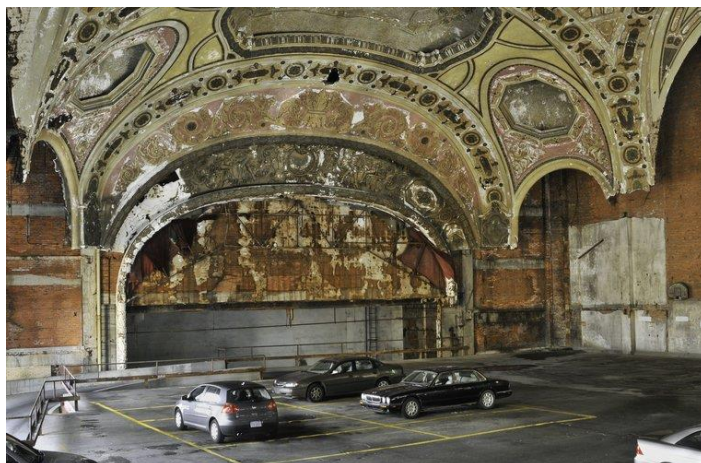
Detroit's once-glamorous Michigan Theater, which is now used as a parking garage.

Sean Doerr/WNET.org

A vacant and blighted home on Detroit's east side. Photograph: Reuters

Reduction in Pollution

Some improvements after decades of environmental abuse to the Detroit's local waterways . Industrial pollution of the Detroit and Rouge Rivers dates back to the end of 19th Century. In the late 1940s, oil pollution started to cause massive winter duck kills. In 1948, the situation climaxed when approximately 11,000 ducks were killed due to oil pollution in the Detroit River.

The closed auto plants were abandoned as the city declined causing the sites to become so-called "brownfields," unattractive to potential replacement businesses because of the pollution hang-over from decades of industrial production. While there is less industry there is less pollution however the problem is still immense.

2013, the Sierra Club Detroit released a report that reviewed the city's environmental abuse. The report concluded that more than most communities in Michigan, metro Detroit's proximity to industrial pollution is an "environmental injustice" that constitutes "human rights abuse."

According to the *Sierra Club* assessment, the levels of contamination in Detroit are the cause of inordinately higher levels of asthma, cancer, neurological disorders and birth defects. The report cites statistics from the Michigan Department of Community Health that show that **Detroit adults suffer from asthma 50 percent more than the state of Michigan as a whole**.

Pollution comes from a wide range of nearby industries including auto plants, steel mills, an oil refinery, a wastewater treatment plant and others. Some of the worst sources of pollution were identified as Severstal Steel plant, DTE Energy's coal-fired River Rouge power plant, Marathon's oil sands refinery; EES Coke and Battery.

In December 2012, Mayor Dave Bing and the Detroit Works project did make an attempt to address the city's woeful environmental record. They crafted a 350-page plan known as the "Detroit Future City" report. The 50-year plan includes a number of sustainable ideas like building "blue and green infrastructure" to help address water and air-quality issues, creating new open space networks that incorporate habitat for local wildlife, and diversifying the city's public transportation modes. The report calls for adding new, large areas of greenspace, but it's also emphatic about the need to reuse old buildings. To help finance the plan, the W.K. Kellogg, Kresge, and Ford Foundations collectively pledged millions.