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Restructuring, Place, and Race: An Introduction

I think it might be good that the disturbances or riots took place in Los Angeles. It woke up America to the fact that there are two Americas. . . . We have slowly but surely built two New Yorks, two Washingtons, two Los Angeleses, two Atlantas. And quite often, they don't even know each other.

Jimmy Carter, 1992

Bernhard Goetz shoots four black youths in a New York subway car in 1984 and is hailed a hero by many, blacks in the Overtown neighborhood of Miami set property on fire and clash with police on three separate occasions threatening postponement of the Super Bowl in 1989, Rodney King's beating by Los Angeles police in 1991 is captured on videotape for the entire nation to see, and incidents of racial violence continue to explode across urban America. After declining steadily for at least thirty-five years, poverty begins rising again in the mid 1970s, a so-called underclass emerges in the bowels of urban America capturing the attention of journalists, scholars, policymakers, and the general public while glittering office towers, luxury hotels, mega-malls, and entertainment centers mushroom in downtown central business districts and suburban communities. Japan and Germany, if not Asia and Europe generally, emerge as powerful international trade blocks while the United States loses hundreds of thousands of manufacturing jobs, and although productivity increases, income goes down.

These seemingly disparate social phenomena are in fact closely intertwined. If the color line proved to be the problem of the twentieth century as W. E. B. DuBois forewarned ninety years ago (DuBois 1965, 239), it appears the same could reasonably be predicted for the twenty-first. But to understand the dynamics of race today requires coming to terms with the dramatic restructuring of the U.S. economy and spatial redevelopment of metropolitan areas that has taken place in the post-World War II years and continues apace today. These structural, spatial, and social developments are pieces of a broader process of uneven development. None of these trajectories of change can be understood in isolation. Each of them affects, and is intricately affected by, the others. Tracing these developments and unraveling the interconnections can help explain some of the nation's most troubling social problems and, more importantly, provide direction for their resolution (Holland 1986). To do so, however, first requires moving beyond the simplistic, individualistic, and moralistic explanations that have dominated much of the policymaking process and scholarly activity of recent years.

The intersection of restructuring, redevelopment, and race are increasingly manifested in everyday life, as will be illustrated throughout subsequent chapters. Globalization of the U.S. economy is characterized most explicitly by the loss of manufacturing jobs (1.9 million between 1979 and 1987, many of which were relocated to foreign shores) and the concentration of managerial and administrative functions at home contributing to a 13.9 million increase in service sector jobs. While this reflects some growth in highly paid professional positions, far more of the job creation is in unskilled, low-paid positions. Consequently, during the 1980s productivity grew 11.6 percent while hourly wages fell by 4.5 percent (Mishel and Simon 1988, 25; Mishel and Frankel 1990, 2). As part of this process of industrial restructuring, the built environment of cities changed. Downtown redevelopment was stimulated by the growth of financial and related producer services industries, suburbs continued to grow to house the professional employees of these firms and provide friendlier environments for diverse industries—including manufacturing, while formerly prosperous blue-collar industrial communities located between downtown and the suburbs deteriorated. Given their concentration in heavy industry and central city residential areas, racial minorities and particularly blacks have been adversely affected by these trends as evidenced by the fact that black family income as a percentage of white family income dropped from 60 percent in 1968 to 58 percent in 1991 nationwide after rising slowly but steadily for several decades. The decline was even steeper within large metropolitan areas—from 64 percent to 57 percent (U.S. Bureau of the Census 1969, 1992a, 1992b).

These structural developments are not, however, the natural outcome of market forces or an inevitable process of "creative destruction" in which higher uses of capital are pursued through entrepreneurial endeavors. They reflect politics broadly defined; that is, conflicting interests—primarily those associated with race and class—in which groups with varying power struggle to preserve their privileged position or achieve a more privileged position in American society. The critical distinctions are not those of government versus the private sector or central planning versus the market. In fact government policy and private sector activity through both planning and market forces have generally reflected those inequalities of race and class that have served as the principle dynamics shaping uneven development and social change in the United States.

The flight of manufacturing jobs from the United States to foreign shores, for example, as well as corporate relocations within the United States, downsizing (or "rightsizing") of industry, and other forms of economic restructuring all reflect the efforts of capital to seek out cheaper, union-free work forces in order to retain as large a share of surplus wealth as possible. Technological innovations in production and communication may facilitate these developments and make certain forms of restructuring feasible today that would have been impossible yesterday, but the underlying driving forces are social rather than technical (Harrison and Bluestone 1988; Bowles et al. 1983; Shaiken 1984). And the racial effects are not simply unintended outcomes of changes rooted elsewhere. When corporations seek out greener pastures they tend to seek out whiter ones as well, in part because of the presumption of a relatively greater attraction to unions on the part of blacks, in part to avoid equal opportunity requirements by avoiding areas where minorities are not in the picture, and in part due to the perpetuation of traditional stereotypes and old-fashioned prejudice (Cole and Deskins 1989; Stuart 1983; Kirschenman and Neckerman 1991).

These developments reflect public policy as well as private sector activity. As will be detailed in subsequent chapters, tax and regulatory policies have encouraged capital mobility, strengthened the hand of capital in labor-management struggles, and subsidized racial segregation and inequality. Particularly in the case of housing and housing finance, federal government policies and the policies and practices of private industry (most notably real estate, insurance, and mortgage lending) have been explicitly predicated on racial considerations with preservation of racially homogeneous neighborhoods a primary objective (Massey and Denton 1993; Jackson 1985; Tobin 1987). If these practices have been justified in terms of maintaining property values or neighborhood stability, they were based on racist assumptions and have had dramatically segregative and racist effects on urban development.

Given these institutional relationships and developments, a series of vicious circles are reinforced. Increasing economic competition from foreign trading partners and the U.S. political response to these developments have led to deindustrialization and disinvestment of cities. This process destroys the jobs base for many communities, reduces the revenues to support education and other essential public services, and increases the chasm between predominantly white suburbs and increasingly black inner cities. The deterioration of urban communities, of course, makes them less attractive to private investment, thus expediting their decline. Those who can, often escape, and those who cannot often resort to socially unacceptable survival strategies (e.g., crime, welfare dependency) or give up hope entirely and drift into drugs, homelessness, and self-destruction. It is not surprising that poverty grows and is increasingly concentrated in inner city neighborhoods, that racial tensions arise, and that "quiet riots" (e.g. poverty, unemployment, family disintegration, high crime rates, drug abuse, teenage pregnancy) along with not so quiet riots are occurring in cities around the nation (Harris and Wilkins 1988). Perhaps what is most perplexing is that, given these complex social realities, the predominant tendency in recent years has been to explain them away with simplistic, moralistic, and individualistic explanations and policy prescriptions.

Cultural Explanations for Structural Problems

As William J. Wilson (1987) cogently observed, when the passage of major civil rights legislation and enactment of Great Society social programs was followed a decade later by growing poverty and increasing racial inequality in urban America, an opportunity was created for conservative intellectuals and policymakers. If liberal social programs could not resolve these problems of the cities, perhaps conservatives were correct in asserting that government intervention, no matter how well-intentioned, generally only makes things worse (Friedman 1962). Liberal programs of the 1960s, of course, emphasized the centrality of racial discrimination and unequal opportunity, but their proponents—along with conservative critics—could not foresee the dramatic global and local structural changes that were emerging in the late 1960s and would hit with full force in the early 1970s. If traditional liberal and conservative policies were not effective in the face of these changes, conservatives struck first in attributing rising problems to the flaws they had always seen in liberal approaches.

The conservative assault on liberal social programs came from a diverse group of scholars, writers, and policymakers including George

Gilder, Charles Murray, Lawrence Mead, Richard Rodriguez, Linda Chavez, Thomas Sowell, Glen Loury, Shelby Steele, and many others. But they reflected and reinforced a common philosophy. Its basic contentions are the following: (1) the growing poverty, racial inequality, and “underclass” behavior that occurred in recent years reflect defects in the values and the culture of poor people themselves; (2) particularly problematic values include inadequate respect for the work ethic and a “live for today” mentality, with one key cultural manifestation being the breakup of the traditional family; (3) government programs unintentionally nurture a culture of dependency which perpetuates poverty and underclass behavior and; (4) only by forcing people to take care of themselves will these problems ever be effectively addressed.

In essence, a growing population of undeserving poor people—basically people who will not work—is concentrated in the nation’s cities. As Lawrence Mead concluded, “In the absence of prohibitive barriers to employment, the question of the personality of the poor emerges as the key to understanding and overcoming poverty. . . . Experience has driven policymakers toward my own conclusion, that psychic inhibition, not a lack of opportunity, is the greatest impediment to employment” (Mead 1992, 133, 159). Even among those who do work, many are not successful, again, because of poor personal habits. As Thomas Sowell observed, “One of the most important causes of differences in income and employment is the way people work—some diligently, carefully, persistently, cooperatively, and without requiring much supervision or warnings about absenteeism, tardiness, or drinking, and others requiring much such concern over such matters” (Sowell 1984, 46–47). Acknowledging that some might dismiss observable group differences as evidence of bias or stereotyping, he concludes that “there is some evidence that cannot be disposed of in that way” (Sowell 1984, 47).

Much underclass behavior may well be the logical and predictable response to incentives that are inadvertently created by government, according to this perspective. Welfare programs—particularly AFDC—and civil rights agencies encourage some people to seek out various nonwork options; collecting welfare payments or pursuing civil rights complaints. And if these activities prove more rewarding than jobs that are available with a similar amount of effort, those are the options that a rational person would select (Murray 1984). In so doing, dependency is fostered while entrepreneurship and the associated attributes (aggressiveness, innovation, leadership) which are the keys to accumulating wealth are stifled (Gilder 1981).

All of these analysts acknowledge that discrimination has been an unfortunate part of the nation’s history. But it is a far less significant factor today and, according to some, it has virtually disappeared. To

Sowell, "The battle for civil rights was fought and won—at great cost—many years ago" (Sowell 1984, 109). Shelby Steele notes that discrimination remains a fact of life. However, he concludes that what is holding blacks back is not discrimination but rather their own "victim-focused identity." That is, by investing so heavily in their status as victims and pursuing collective redress from white America, blacks are failing to take advantage of the opportunities that are available to them if they would just develop their individual abilities. To Steele, "the American black, supported by a massive body of law and the not inconsiderable goodwill of his fellow citizens, is basically as free as he or she wants to be" (Steele 1990, 175). But in order to take advantage of that freedom, "To retrieve our individuality and find opportunity, blacks today must—consciously or unconsciously—disregard the prevailing victim-focused identity . . . it curbs individualism and initiative, diminishes our sense of possibility, and contributes to our demoralization and inertia. . . . There will be no end to despair and no lasting solution to any of our problems until we rely on individual effort within the American mainstream—rather than collective action against the mainstream—as our means of advancement" (Steele 1990, 172–73). What may be even more problematic is that dependency is trickling down (or out) to other groups in "an orgy of competitive victimhood" (Mead 1992, 260). Echoing a now popular theme Mead concludes "claiming the status of victim leads only to dependency; it cannot promote social harmony or progressive change. For those goals, some greater self-reliance, a willingness to absorb injuries rather than flaunt them, is simply indispensable" (Mead 1992, 260).

If government has any role in this scenario, it is to nurture aggregate economic growth which will benefit all groups, though not necessarily or even preferably on an equal basis. Creation of wealth in the private sector, not government-mandated redistribution (whether through transfer payments, affirmative action programs, or other "artificial" means) is the key. If a community or region is declining while others are prospering, such uneven development simply reflects natural adjustments to technological change and market forces. Places as well as people may become redundant as the economic base of entire communities is shattered by national transformations (Anderson et al. 1983). The response should be to develop "pro people rather than pro place" policies and facilitate the relocation of families from areas that are shrinking to those that are growing (Peterson 1985; President's Commission for a National Agenda for the Eighties 1980). Government, in other words, is simply the junior partner whose job is to facilitate private capital accumulation.

Many acknowledge that education and training are key long-term needs and that government does have a role here. But the more impor-

tant short-term and long-term objective is to eradicate dependency and, if necessary, force people to take care of themselves. As Mead claims, "There is a culture of poverty that discourages work, but the poor will work more regularly if government enforces the work norm" (Mead 1992, 24). Murray is even more direct when he advocates "scrapping the entire federal welfare and income-support structure for working-aged persons, including AFDC, Medicaid, Food Stamps, Unemployment Insurance, Worker's Compensation, subsidized housing, disability insurance, and the rest. It would leave the working-aged person with no recourse whatsoever except the job market, family members, friends, and public or private locally funded services. It is the Alexandrian solution: cut the knot, for there is no way to untie it" (Murray 1984, 227–28). And if public support of any kind is to be given, it must be tied to commitments for "responsible" behavior (e.g., school attendance, work) on the part of recipients. As New York journalist Jim Sleeper argued, "irresponsibility does not justify more irresponsibility . . . even one's status as a unique kind of social creditor does not exempt one from traditional social obligations" (Sleeper 1990, 311). If these proposals appear harsh, proponents claim it would be even crueler to perpetuate a culture of dependency which will only serve to entrap future generations in poverty.

Today, it is not just conservatives who demand such a quid pro quo from the poor. Bill Clinton's "A New Covenant for America's Cities" calls for welfare recipients to be required to take a job within two years of receiving benefits. "We will go nowhere unless individuals take responsibility for their own lives, working ceaselessly to overcome challenges and solve problems in their families and communities" (Clinton undated, 5–6). The conservative backlash to the liberal social programs of the 1960s may not be as influential in the 1990s as it was in the 1980s. But its penetration of traditionally liberal thought demonstrates that such thinking remains a strong force in scholarly and policymaking circles.

This approach to poverty, racial inequality, and economic development has been tried, and found wanting. As indicated above and as will be discussed in the following chapters, the anticipated economic growth did not occur, the buying power of the average income has declined, poverty has increased, racial inequalities in key economic areas have worsened, and the deterioration of cities continues. In one case study where conservative assumptions and policies prevailed—the city of Atlanta—Gary Orfield and Carole Ashkinaze (1991) found that racial barriers remained and in many areas were strengthened. They observe that in the late 1970s and 1980s Atlanta experienced economic growth, the city had a tight labor market, and blacks held key leadership positions. If the market policies proposed by the conserva-

tives would ameliorate racial inequality, the authors argue, Atlanta should have proven the case. They observe, however, that segregation persisted particularly in housing which perpetuated unequal access to essential public and private benefits like good schools and jobs. In part because black elected leaders had to pursue conservative economic policies to retain businesses in the city, Orfield and Ashkinaze conclude they were limited in terms of what they could accomplish in the area of racial inequality, demonstrating once again the need for strong federal civil rights enforcement efforts.

The failure of the conservative policy initiatives was built in right from the start principally because of the blinders worn by the most influential proponents and the self-interest of the relatively few who in fact benefited. Ignorance (or avoidance) of the reality of class and racial conflict, unequal power relations, the exercise of that power to perpetuate privilege at one end and the lack of it at the other—in essence a failure to fully appreciate the reality of social structure—characterizes the conservative assault. What Benjamin DeMott (1990) has referred to as “the myth of classlessness”—the notion that virtually all Americans are part of one large middle class—obfuscates the reality of class, whitewashing unearned advantage and undercutting the implementation of truly progressive public policy in the process. The conservative perspective builds on this mythology by defining poverty and associated behaviors as characteristics of selected individuals rather than as structural dimensions of a social system. As Michael Katz observed, “poverty . . . slipped easily, unreflectively, into a language of family, race, and culture rather than inequality, power, and exploitation” (Katz 1989, 8). Individual behavior and attitudes are important, of course, but they are only pieces of the broader sociological puzzle.

By individualizing poverty, many American social scientists have aided the mystification of its origins and obscured its politics. . . . For finally the politics of poverty are about the processes of inclusion and exclusion in American life: Who, to put the question crudely, gets what? How are goods distributed? As such, it is a question of race, class, gender, and the bases of power. Poverty is not an unfortunate accident, a residue, an indication that the great American mobility machine missed a minority of the people. On the contrary, always it has been a necessary result of America’s distinctive political economy. (Katz 1989, 237)

The mystification is not simply the result of flawed analytical thinking. The major infusion of funding to support conservative intellectuals through think tanks and foundations like the American Enterprise Insti-

tute, the Hoover Institute, the Bradley Foundation, and many others demonstrates that these intellectual debates are part of a much broader set of conflicts within the American political economy. Self-interest is evident in how such scholarship is supported and disseminated. It should not be surprising that self-interest creeps into the core of the ideas themselves. By attributing primary causation of poverty and related problems to the characteristics of the individual victims themselves, a clear if unstated implication is that the nonpoor achieved their rank principally on the basis of their own individual effort. (Vernon Jordan, former Executive Director of the Urban League, related a revealing story from a conversation he had with a successful white businessman on a flight from New York to the West Coast. After his first martini the businessman observed that black people had to pull themselves up by their own bootstraps. After the third martini the businessman acknowledged that he went to an elite Eastern private college on the GI bill, started his business with a loan from the U.S. Small Business Administration, and purchased his Scarsdale home with an FHA loan. As Jordan concluded, "So much for lifting yourself up by your own bootstraps." Jordan 1991, 6.) If conventional notions about rugged individualism are misguided, such self-serving thought still provides a powerful rationalization for overall patterns of the distribution of income, wealth, and other valued goods. Equally important, the conservative vision reinforces the belief that little can be done, particularly by government, to remedy the situation. If government has served as a powerful force for creating and nurturing various forms of inequality in the past, the basic changes proposed for government today by conservative advocates—to reduce taxes, social spending, and regulation—coincidentally directly benefit the wealthy at the expense of the poor. Perhaps most importantly, to quote Katz once more, "They also conflict with the fewest vested interests because they do not require income redistribution or the sharing of power and other resources" (Katz 1989, 209).

Traditional American culture denies the existence of class, yet the evidence of class is ubiquitous (DeMott 1990). In fact, the reality of class in the United States is widely recognized and understood, even if it is not articulated in the popular press or casual conversation. How else can the popularity of the television show *Roseanne* or the appeal of the movie *Roger and Me* be explained? Or take the Northwestern University students who, while watching their Wildcats take another drubbing from the University of Illinois basketball team, chant in unison during the closing moments, "That's all right, that's OK, you're going to work for us someday."

The following chapters will illustrate how the conservative policy agenda reinforced various dimensions of inequality associated with global economic restructuring, the spatial development of cities, and

race relations not just in Atlanta but urban America generally. If this cultural explanation and the ensuing policies failed to address these structural problems, this contradiction did not in fact begin with the resurgence of conservative thought in the 1970s and 1980s. The central themes of this perspective reflect a longstanding tradition of privatism that has shaped economic policy, urban redevelopment efforts, and responses to the social problems of U.S. cities.

Privatism and a Progressive Response

Throughout U.S. history there has been a longstanding, if sometimes uneasy, alliance between the public and private sectors. One shared understanding has dominated that relationship—the belief that government’s job is to facilitate business development. Going back to the “public improvements” of the eighteenth and nineteenth centuries centering on the construction of waterways and railroads up through the twentieth century construction of highways and airports along with the enactment of tariffs, tax abatements, and other public aid, government has long subsidized the growth of private industry. The overriding justification for such public subsidies is captured by what has become known as the ideology of privatism (Warner 1987; Barnekov et al. 1989).

The ideology of privatism asserts that: (1) the driving force of productivity is the individual desire to improve one’s material existence; (2) private enterprise and the free market are the most appropriate vehicles for nurturing that self-interest and assuring the most efficient production and distribution of goods and services; and (3) the role of government is to support those activities that will stimulate individual initiative and private capital accumulation.

Given these longstanding and deeply held assumptions regarding the linkage between individual self-interest and productivity, the efficiency of the market mechanism for regulating human activity and the allocation of resources, and the superiority of the private sector over government in encouraging wealth-producing activity, the rise of conservative thought in the last two decades reflects continuity with the past rather than a radical departure. From supply-side economics at the national level to “pro people” policy at the local level, it is evident that the dominance of privatism prevails. And as will be shown in subsequent chapters, the inequality that has characterized economic development, the spatial development of cities, and the social problems of urban America (particularly those associated with poverty and racial inequality) is directly linked to the assumptions and policies that have resulted from the commitment to privatism.

But that domination is not total. More democratic alternatives are being proposed, and in some cases implemented, to address the inter-related problems of economic productivity growth, urban development, and inequality. The next four chapters address specific critical policy issues: employment, housing, housing and community development finance, and urban redevelopment policy. In each case major theoretical and policy debates are examined and directions for future policy are indicated.

The following chapter on employment delineates the limitations of predominant individualistic (e.g., human capital) explanations for inequalities associated with employment and, in turn, income and wealth. Bringing in the structure of traditional workplace organizations provides a clearer understanding of such inequalities and suggests more democratic approaches to work that can yield greater productivity and more equitable outcomes. Employee ownership is examined to illustrate the potential of workplace democracy for ameliorating inequalities associated with class and race as well as for improving the productivity of individual firms and the economy generally.

The salience of race in the development of housing policy and, in turn, the role of housing policy in reinforcing racial inequalities are explored in chapter 3. The fallacies of privatistic assumptions about housing patterns as simply the outcome of individual buyers and sellers meeting in the marketplace are revealed and directions for more effective and more equitable housing policy are provided.

The examination of housing continues in chapter 4 which focuses on the central role of housing and community development finance in the uneven development of metropolitan areas. Debates over redlining and, again, the explicit use of race in determining property values and providing financial services are analyzed along with the diverse social costs of such practices for urban communities. Successful efforts to turn disinvestment into reinvestment, led primarily by community-based organizations, are reviewed along with the policy implications of these campaigns.

Chapter 5 examines urban redevelopment policy focusing on the emerging dominance of public-private partnerships as the critical tool. The influence of privatism—along with its limitations—are most vividly demonstrated in this area. At the same time, a variety of alternative approaches to redevelopment have been proposed and in some cases implemented in recent years which offer promise of more effective and equitable patterns of development.

In each of these chapters, the particular issue is examined within the context of the intersection of the structural, spatial, and social dimensions. And in each case directions for future policy and specific

policy recommendations are offered, frequently based on current experiments and experiences. These efforts challenge the ideology of privatism, implicitly in most cases but explicitly in some, in attempts to pursue a more democratic approach and realize more progressive outcomes.

The final chapter delineates the critical elements and parameters that need to be reflected in any discussion of future policy if the limitations of the politics of privatism are to be overcome. Specifically, the values on which policy is premised, the arenas in which discussions and actions are carried out, and methods to be utilized to achieve more productive and equitable outcomes are examined from the perspective of a progressive rather than privatized city.

The national political climate of the 1990s is more conducive to an open debate over issues of racial inequality, urban blight, and the social costs of economic restructuring than was the case in the 1980s. Whether it was the explosion in Los Angeles, the growing number of working poor, the continuing deterioration of the competitive position of key sectors of the United States in the global economy, or a combination of forces, problems of racial unrest, inequality generally, and the productivity of the national economy are increasingly recognized as "front burner" issues that must be addressed directly and not simply as inevitable consequences of market forces to which the nation must acquiesce. If privatism remains a dominant ideological force, community organizations, political leaders at all levels, and many within the corporate sector recognize at least the possibility of strategic public and community-based intervention and planning to ameliorate these festering social problems.

Jimmy Carter's admonition regarding the duality of American cities sounds uncomfortably similar to the often quoted warning of the Kerner Commission in 1968, "To continue present policies is to make permanent the division of our country into two societies; one, largely Negro and poor, located in the central cities; the other, predominantly white and affluent, located in the suburbs and in outlying areas" (*Report of the National Advisory Commission on Civil Disorders* 1968, 22). Today, even many longtime civil rights advocates are questioning whether or not integration is a worthy goal to pursue.

The United States, of course, is increasingly fragmented along several dimensions. Racial conflicts go beyond blacks and whites involving as well Hispanics (Cubans, Mexicans, Puerto Ricans, and others), Asians (Chinese, Hmong, Japanese, Koreans, and others), and Native Americans. Conflicts among various ethnic and religious groups have increased in recent years. Gendered rules and relationships shape all vital social institutions and have influenced policy in virtually every area of public and private life. Regional battles between cities and sub-

urbs, sunbelt and snowbelt states, and more recently between coastal communities and the central states have cropped up. The occupational structure is increasingly segmented and class distinctions have become crystallized (Fainstein et al. 1992; Mollenkopf and Castells 1991; Smith and Feagin 1987; Sassen 1988, 1992).

But the predominant trajectories of uneven development remain restructuring and globalization of the national economy, the spatial development of metropolitan areas, and the growing inequality of income and wealth among local citizens. If cities are increasingly multicultural, race remains the most divisive split and black/white conflicts remain the most salient (Galster and Hill 1992; Massey and Denton 1993). The duality noted from the Kerner Commission in 1968 to Jimmy Carter in 1992 still captures the fundamental dynamic of urban life.

Theories and policies grounded in the personality, culture, or other sets of characteristics about individuals cannot help but fail to explain the serious social problems plaguing American cities. In order to illuminate what are fundamentally social phenomena, the focus of attention must be the central structural characteristics and patterns of segmentation occurring in American society. In turn policy must focus on the fault lines of segmentation constituted by economic restructuring, spatial development, and racial conflict if the social costs of these developments are to be ameliorated.