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American History Seminar: Thomas Sugrue (David Boies Professor of History and Sociology, University of Pennsylvania), “Bankruptcy and Beyond: Detroit and the Past and Future of American Urbanism”

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- 1 This seminar was hosted by the Workshop in American History and Culture, co-organized by professors Nathalie Caron and Andrew Diamond (both are part of the MAPS team of the HDEA laboratory, Ecole Doctorale IV).
- 2 Professor Andrew Diamond started with a short introduction of the speaker, Thomas Sugrue, David Boies Professor of History and Sociology at the University of Pennsylvania, a specialist in twentieth-century American politics, urban history, civil rights and race and the author of many critically acclaimed books, among which *Not Even Past: Barack Obama and the Burden of Race* (Princeton University Press, 2010), *Sweet Land of Liberty: The Forgotten Struggle for Civil Rights in the North* (Random House, 2008) and *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton University Press, 1996).
- 3 Professor Thomas Sugrue started by reminding the audience that Detroit, once a booming city, filed for bankruptcy on July 18, 2013. It was the largest municipality to do so in the United States. A graph showed that between 2000 and 2010, the city lost 25% of its population. About 90,000 houses were abandoned in the last ten years and many of them are gradually collapsing. Today, more than 40 square miles of the city consist of empty land—the sidewalks are covered with grass and various wild animals (deers, foxes, etc.) have made their appearance. It is clear from the photographs Professor

Sugrue projected—some coming from Google Earth, others that he took himself (thus, as he humorously noted, taking part in what has come to be called “ruins porn”)—that the mortgage and foreclosure crisis hit Detroit particularly badly and had a dramatic impact on the city’s streetscapes. North End, one of Detroit’s most vital neighborhoods, is in a state of terrible disrepair and suffers from a serious lack of maintenance, with 65% of street-lamps no longer working for instance. Some areas are completely dark at night, giving the impression of being in the middle of the countryside rather than in a large American city. On the roads are many “car-eating holes,” as the speaker called them—sewer openings whose lids were stolen.

- 4 Furthermore, Detroit was particularly ravaged by the collapse of the American economy. At the peak of Detroit’s crisis, unemployment reached about 25% and around 16% of the population is officially unemployed today. Once a prosperous motor city thriving on the automobile industry, Detroit can now only boast one remaining auto plant, General Motors. There is, however, one silver lining: like every major American city, Detroit saw growth in two economic sectors, from the 1960s onward: medicine and education (“meds and eds”) on the one hand, and public employment on the other hand (city, county, state and federal governments). Still, both sectors were hard hit by the current bankruptcy crisis: the city suffers from depopulation and disinvestment, which means fewer middle-class workers and fewer city services.
- 5 There exist many conventional explanations for the fall. According to Professor Sugrue, the most common of these explanations, which has been used over and over again for 45 years, consists in asserting that the city’s troubles began with the 1967 Detroit riot, opposing African-Americans and the police. The uprising lasted for several days and was one of the most violent riots the city has known. Yet the speaker argued that it is a cliché to assert that Detroit owes its decline to the events of 1967 when in fact the city’s problems go back much further.
- 6 Moreover, another conventional explanation for Detroit’s bankruptcy focuses on a popular story of black misrule. Indeed, Detroit’s first black mayor, Coleman Young, was often blamed for corruption and mismanagement. Young started as a community organizer and had been a communist. He led a two-fold campaign, both appealing to Detroit’s black population, focusing on notions of racial identity and racial pride, and appealing to the city’s business leadership, mostly white and corporate, to revitalize downtown Detroit, in accordance with the neoliberal turn in American politics. As a mayor, Young took several austerity measures, reducing the city’s work force, balancing the city’s budget, and so on. Far from putting the blame on the black mayor, the media portrayed Detroit as a “come-back city,” stronger than ever, reinventing itself in a form of renaissance.
- 7 Another example of supposed black misrule was recent black mayor Kwame Kilpatrick, who was first elected in 2001, while he was only 31 years old, then re-elected in 2005. Professor Sugrue described him as a “Hip Hop Democrat” who was simultaneously financially conservative. Several scandals contributed to tarnish his reputation: not only was he discovered to be having an affair with his chief of staff and to have covered up evidence through the police department but he was also charged with other improprieties like spending city money for his personal use. Moreover, in 2005, he set up a \$1.44 billion pension borrowing deal with Wall Street financial firms that, according to many, contributed to plunge the city into bankruptcy. As Professor Sugrue put it, “the house of cards collapsed.”

- 8 Yet another commonplace explanation for Detroit's bankruptcy consists in blaming the greed of city employees who received fairly generous pensions for years. Many insisted on the need to reform the pension system through cuts and privatization. However, Professor Sugrue insisted that the average Detroit pensioner received between \$17,000 and \$19,000 per year, which is a relatively reasonable amount of money.
- 9 According to the speaker, all of these explanations are insufficient. To fully understand Detroit's bankruptcy, one needs to go beyond immediate causes and back to the profound transformations that the city underwent in the post-war period. After a short reminder of the great development Detroit underwent in the first half of the 20th century (when the city became a center of Fordism and a model of industrialization), Professor Sugrue insisted on the post-war difficulties that the city had to face. Indeed, between 1947 and 1963, it lost 134,000 manufacturing jobs and from the 1960s onward, it was weakened by competition from the European and Asian automobile industries. These changes were particularly difficult for the African-American population, which expanded rapidly in the city between 1940 and 1970. Detroit was increasingly divided by race from the 1940s onward, as the white population became increasingly suspicious of their black neighbors. Many African-Americans were relegated to "second-hand suburbs." So over the last 60 years, the city of Detroit has been profoundly remade by the fiscal crisis, the collapse of its industrial base and continuing segregation.
- 10 However, the speaker underlined the optimism that seems to pervade the city today. Detroiters and newcomers are getting increasingly involved in an effort to re-invent the city and spur economic development. Most of the solutions offered are funded by the private sector rather than through state or federal money. The wealthiest investor in Detroit's future is Dan Rover, the founder of Quicken Loans, who has invested more than one billion dollars in the transformation of downtown Detroit. His goal is to attract people and companies to the city by purchasing and renovating properties, building new amenities, developing a new job market and revitalizing the city's transit system. Among many other things, he is largely funding the construction of the M-1 RAIL, a light rail system that is meant to connect downtown with a gentrifying area called midtown.
- 11 Another ambitious project comes from Mike Ilitch, with his plan to build a new hockey arena near downtown, with financial support from the state of Michigan. He intends to revitalize this area located between downtown and midtown by turning it into a big entertainment complex. Furthermore, a new Whole Foods store opened in 2013 in Detroit's hip Midtown district and the store hired an ambassador to give talks on organic food and attract customers. Professor Sugrue also took the example of the trendy Wright restaurant, where he recently had dinner: although 83% of Detroit's population is African-American, every customer having dinner there was white that night. Cash Gold is yet another example of this type of high-end restaurants attracting a very hip clientele. All these new projects are part of what he called a "hipsterization" of the city. Nowadays, many artists and entrepreneurs are attracted to the city's very low prices, as well as to the romantic dimension conveyed by city's lost industrial past.
- 12 Yet this gentrification of downtown Detroit raises a problem: it does not create jobs in the areas where most inhabitants need them, like the public sector, education or the medical field. Most likely, working-class Detroiters will not see the "trickle-down benefits of gentrification," as Professor Sugrue put it. He questioned the belief that the city will be uplifted and improved by attracting cultural producers and high-tech

workers. The lives of the vast majority of residents are bound to remain economically marginal. Among the problems that Detroit is currently facing are the poor quality of public education and the insufficient influx of immigrants. Ethnic enclaves like Banglatown and Mexican Town, which offer cheap shopping opportunities for the surrounding African-American population, are still rare.

- 13 As a conclusion, Professor Sugrue insisted that for seventy years, Detroit has been neglected by political institutions and has suffered from economic disinvestment, racial segregation and decay. Solving the city's problems necessarily means going beyond small-scale efforts, that is to say beyond efforts to revive downtown and gentrify the city.
- 14 Since time was running out, there was only time for three questions. The first one was asked by Professor Andrew Diamond and revolved around Detroit's future: what will happen to the city, what lays ahead? Professor Sugrue started by reminding that almost every social scientist who tries to make predictions about the future gets it wrong. In 1971, a think tank working from Washington D.C. released a report on the future of American cities and asserted that Boston's future would be worse than Detroit's. Yet Boston experienced a boom in the 1970s and 1980s, especially through the development of biotechnology and the high-tech industry, while Detroit's situation was far more problematic. Professor Sugrue emphasized the difficulties laying ahead for the city of Detroit. He evoked a website called Detroit Future City, in which it is clear that urban designers and professionals seek revitalization of downtown and densification—they aim at gathering Detroiters in a rather small but lively area. The main problem with this idea is that working-class and poor African-Americans, who own cheap houses in strategic neighborhoods, might be asked to move, as part of this densification project. Consequently, there is a fear among African-Americans that they will be removed in order to turn the city into what the speaker called a "hipster paradise." It is reminiscent of the 1950s "negro removal." Although Professor Sugrue describes it as improbable, it is something many Detroiters fear today. A more likely future for Detroit would consist in a gentrified downtown and only some areas of vitality like Midtown and some ethnic neighborhoods. But what about the rest of the city? As Professor Sugrue put it, "not every city in the United States is going to be New York" and the remaining population is not going to be "magically uplifted." The city's problems do not have obvious solutions. Yet optimism still prevails, people are trying to think as visionaries, as pioneers, and consider Detroit to be a "disruptive city," a new "Wild West," a place to undo and reinvent. It is also increasingly becoming what the speaker called "a DIY city" (a do-it-yourself city), with a sort of libertarian ethos encouraging people to seize and create opportunities.
- 15 The second question was about the Detroit Institute of Arts, which was asked to contribute to paying off the city's debts by selling some of its works of art at auction, thus helping minimize cuts to pensions. In the meantime, pensioners accepted cuts to their pensions, getting 95% on their dollar. Professor Sugrue evoked a big plan dubbed "the grand bargain," meant to save the art collection from sale by providing enough money to save the public workers' underfunded pensions, through foundations, private donors and state subsidies. He described this bargain as both "genius and problematic." It might be challenged and appealed before the courts but it is successful for the moment.

- 16 The last question dealt with the financing of the Red Wings hockey stadium. Professor Sugrue explained that Mike Ilitch asked for a tax deal and threatened not to build the arena should the state not help him fund construction. As a result, the stadium is being built with several hundred million dollars from public funds.
- 17 For more information on the Workshop's future seminars, please visit the website of MAPS.