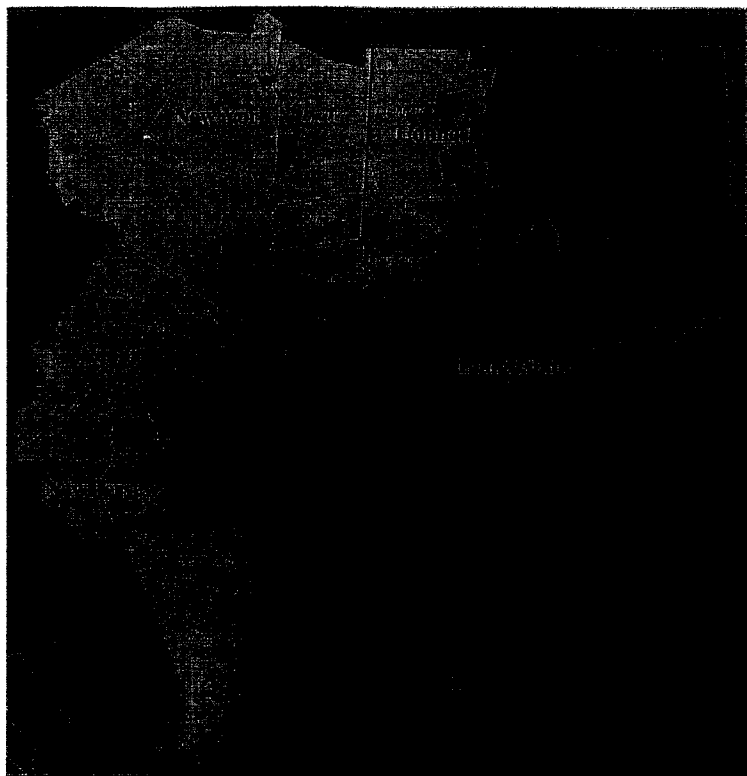


The New York Region: Expanding, Contracting, and Restructuring

WHAT IS THE REGION?

For quite some time now it has been misleading to consider economic changes in New York City without reference to the larger urbanized region of which it is a part. As early as the 1920s, the New York Regional Plan Association had already delineated a metropolitan zone that included some twelve counties in three states (New York, New Jersey, and Connecticut). When the association commissioned its ten-volume restudy in the late 1950s, it identified twenty-two counties as constituting integral parts of the metropolitan region. By 1995, the Regional Plan Association had expanded its purview to thirty-one counties, encompassing numerous cities, large and small, and countless suburbs that spread over an area extending, at its farthest point, to some 125 miles from the center in Manhattan (see Maps 10.1a and 10.1b for RPA data for 1960 and 1990).¹ By then, the total population of the expanded region was approaching twenty million.

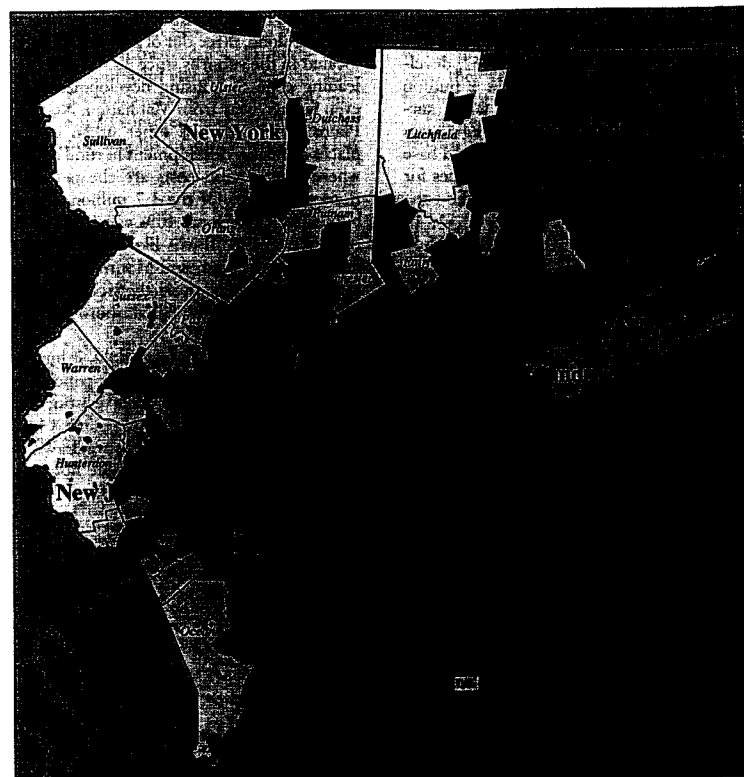
Even this larger zone, however, fell short of the conurbated region that Jean Gottmann, writing on the basis of the censuses of 1950 and 1960, had named *Boswash*—the megalopolis between *Bos*(ton) and *Wash*(ington, D.C.)—which, even a generation ago, already contained thirty-eight million residents (see Maps 10.2a and 10.2b).² And it is considerably smaller than the area included in the newly unified telephone service zone established by the merger between Nynex and Bell Atlantic, which now extends from Maine through Virginia. The area designated by the Bureau of the Census in 1990 as the consolidated metropolitan statistical area (CMSA) of New York-New Jersey-Connecticut was, of course, much smaller than these more



Map 10.1a. Population densities in 1960 for the thirty-one counties of the New York RPA area. Source: Robert D. Yaro and Tony Hiss, *A Region at Risk: The Third Regional Plan for the New York-New Jersey-Connecticut Metropolitan Area* (Washington, D.C.: Island Press, for the Regional Plan Association, 1996); used with permission from the Regional Plan Association.

ambitiously defined regions.³ Nevertheless, it encompassed an area of some 7,796 square miles in which more than eighteen million people lived in 1990.

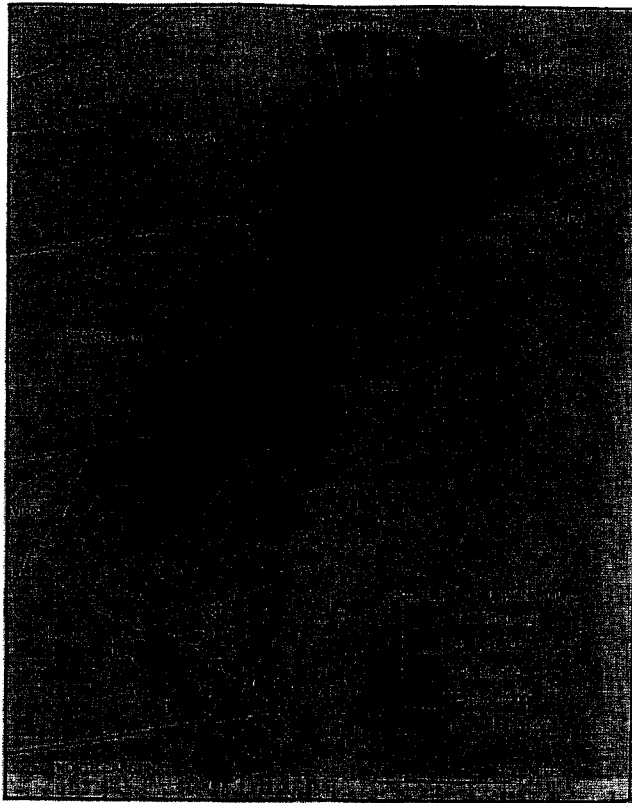
From this it is readily apparent that there are no “natural” boundaries to so long and wide a band of continuous, albeit still spotty, urbanization. There are only multiple, semiarbitrary limits that analysts select for specific purposes. This is because, over the course of the twentieth century and at ever-increasing rates, urbanization in the developed world has broken through the spatial bounds of the nineteenth-century city, yielding what Sudjic has termed the “hundred mile city.”⁴ This deconcentration



Map 10.1b. Population densities in the mid-1990s for the thirty-one counties of the New York RPA area. Source: Robert D. Yaro and Tony Hiss, *A Region at Risk: The Third Regional Plan for the New York-New Jersey-Connecticut Metropolitan Area* (Washington, D.C.: Island Press for the Regional Plan Association, 1996); used with permission from the Regional Plan Association.

of the built environment mirrors the wide-ranging and complex social networks of human connections and the even more complex networks of economic transactions known as the globalized (or world) system.

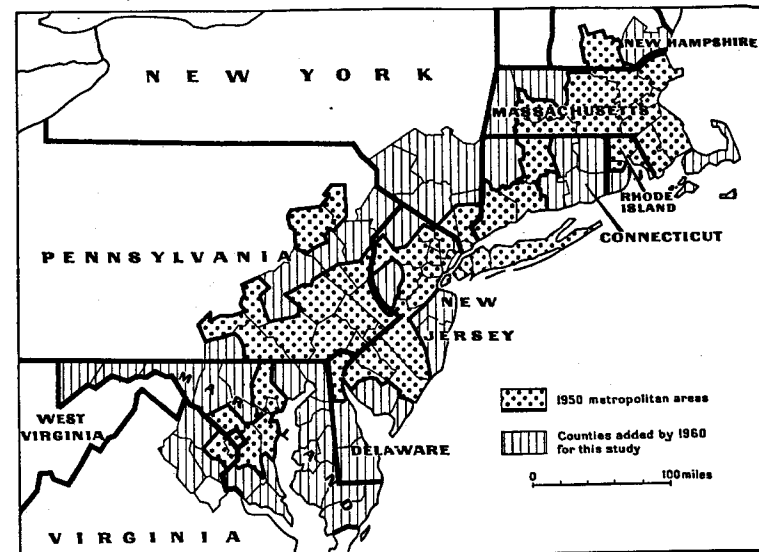
In this chapter I shall, therefore, weave back and forth, sometimes specifying the five boroughs when only municipal services and politics are the focus, and at other times referring to larger regions when economic and social developments are considered. But the reader should always try to bear in mind the global context within which these changes occur.



Map 10.2a. The conurbation of Boswash and density of population of Boswash counties, 1950, according to Jean Gottmann. Source: Jean Gottmann, *Megalopolis: The Urbanized Northeastern Seaboard of the United States*; used with permission from MIT Press.

NEW YORK IN THE INTERNATIONAL ECONOMY: A NEW(?) GLOBAL CONDITION

As I have already argued, the increasing "globalization" of the world's economy that has been occurring during the last quarter of the twentieth century should not be expected to have exactly the same effects on the limited number of vast urbanized regions that serve as world cities and control centers for the upper circuit of international exchange. New York, which from its origins always served global functions and which, except for a fleeting moment early in the country's history, never served



Map 10.2b. The expansion of the conurbation of Boswash between 1950 and 1960. Source: Jean Gottmann, *Megalopolis: The Urbanized Northeastern Seaboard of the United States*; used with permission from MIT Press.

as the political capital of the country, is perhaps an especially deviant case among world cities.

Ann Markusen and Vicky Gwiasda, in a subtle critique of Saskia Sassen's path-breaking *The Global City*, stress that New York, in particular, "is distinctly dissimilar from London and Tokyo, both because it operates in a much more decentralized and multi-polar national urban system, a trait not shared with the other two, and because the long term deterioration of the national industrial base weakens its transnational portfolio, a trait shared with London but not with Tokyo." In comparison with the other global cities, then, New York works under some important disadvantages. Situated within a nation far vaster than England or Japan, it must compete with other major American cities for primacy in "postindustrial" producers' services, while internationally it must compete with other world cities for financial and business-service supremacy. Markusen and Gwiasda's thesis is that New York increasingly "lacks the layering of urban functions—political, industrial, financial, educational—that is the essence of primate cities" and on which such cities depend to retain their positions as "seedbeds of innovation and generators of new types of employment."⁵ In the United States, such functions are distributed among many centers. However, it needs to be emphasized that, despite these disabilities, New York did manage earlier to retain its vitality. Has something now changed? Apparently, but not in all areas.

The Decline in Political Clout

In the past, New York's lack of political centrality (because, in contrast to almost every other "global" city of note, it is not also a political capital)⁶ did not hinder it from growth and, indeed, as I have suggested earlier, may actually have "freed" its residents to concentrate on pure commercial entrepreneurialism. Its political power within the nation was generally exercised indirectly, through its populous voter strength and through the personal linkages that formed a triangle running from the city to Albany, from Albany to Washington, and from Washington back to the city.

Only in recent years has that clout eroded, as California's fifty-four electoral votes outstripped New York's thirty-three, and as California succeeded to the role of Republican "kingmaker," beginning in 1968 with the ascent of Richard Nixon.⁷ Washington's policies, which during the period of the New Deal and Democratic "liberalism" served to support and sustain the welfare "state" that had been crafted in the city since the days of the La Guardia-Roosevelt axis, have increasingly worked to New York's fiscal disadvantage. The city is committed to continuing social and welfare functions that are no longer supported by federal funds.

Cultural and Educational Leadership

Despite its loss of political clout, New York remains the leader as a cultural and media innovator and as an educational center. True, Los Angeles continues to be its chief competing media center, and the proliferation of colleges and universities has naturally diffused higher educational functions to many other parts of the country. But in terms of book and magazine publishing, New York remains the prime point. Furthermore, no other city has as many institutions of higher learning or as large a system of public colleges and universities. The City University of New York—the nucleus of which was founded in 1926 and which, until the state took it over during the fiscal crisis of 1975, was funded primarily by the municipality⁸—remains the largest urban higher educational system in the country, with twenty colleges and professional schools, an enrollment of almost 190,000 students, a faculty of some 7,500 unionized teachers, and an operating budget of \$1,000 million.⁹ To this must be added at least four dozen other private institutions scattered throughout the five boroughs.¹⁰

THE ECONOMY: A MIXED SITUATION

The Growth in Producer Services and Capital Investment

As we shall see, a serious erosion of the New York economy was already apparent in the 1960s, even before the international "oil crises" of 1973–74 and the city's fiscal crisis of 1975. Nevertheless, despite this relatively dim picture, New York retained, and indeed strengthened, its financial and producers' services sector, even after other American cities had begun to grow in these areas. As the booster authors of *A Region at Risk* noted with pride in 1996:

In capital market functions, [the New York] region accounts for half of all securities traded on a global basis, leading London and Tokyo by a wide margin. In 1994, turnover exceeded \$3 trillion in equities traded on our stock exchanges, compared to under \$1 trillion in Tokyo, the second most active market. Today, more foreign companies are listed on New York's exchanges than in London or in Frankfurt, Paris, and Tokyo combined. In international law and accountancy, where Anglo-American structures are the acknowledged standard, London is our only competition, and . . . [New York] dominates the market with 12 of the 20 largest international law firms. We are also the headquarters to five out of the six largest accounting firms in the world.¹¹

The New York region's financial institutions are so crucial to centralized trade that, by spring 1998, even the computerized NASDAQ exchange, headquartered in Washington, D.C., was considering relocation to New York. But at the same time, New Jersey continued to court the New York Stock Exchange.

A Decline in Manufacturing and Shipping

It appears, then, that Markusen and Gwiasda must be referring primarily to the reduction in New York City's productive economic base in manufacturing and shipping. And in these areas it must be acknowledged that slippage has definitely occurred. In part, the decline in manufacturing has simply paralleled the general decline within the larger region and, indeed, in the nation. But the drop has been even more profound in the New York region than in the country as a whole. This may be connected causally to the state's loss of political power, which has been translated at the national level into lower defense investments in the region. (California still receives the lion's portion of this admittedly reduced total, although it must now share this investment with nearby states.)

As late as 1960, the New York metropolitan region's share of manufacturing jobs exactly matched the national average of 31 percent. However, between 1969 and 1990, the region lost more than 800,000 manufacturing jobs, a shrinkage of 44 percent in only two decades. By 1990, less than 15 percent of the metropolitan region's workforce and less than 10 percent of the city's workers had jobs in manufacturing, considerably below the national average.¹² In the tristate region delimited by the New York Regional Plan Association in its most recent iteration, the erosion of manufacturing since 1970 was drastic and seemingly inexorable, with the proportion of the region's workers engaged in manufacturing dropping from more than 25 percent in the early year to only 12 percent by 1994.¹³

Recent trends have been even more discouraging. Manufacturing jobs declined by 6.5 percent in the brief period between 1992 and 1995 and construction jobs were down by 2.4 percent. Trade and governmental employment remained relatively constant over those years, and only two relatively small sectors showed modest increases: FIRE (finance, insurance, and real estate), up by a negligible 2.4 percent, and

transportation and utilities, up by 4.5 percent. The only employment category to show a significant rise (of 9.3 percent) was "undifferentiated services"—heavily weighted to jobs that pay close to the minimum wage. Polarization between "good" and "bad" jobs has therefore continued unabated. For every high-paying job added in the region, there have been a dozen added at the lowest service ranks. If anything, such shifts have made New York even more dependent upon its "new" world-city functions in trade, finance, and tourism, and, we might add, as a reception center for immigrants.¹⁴

The tendency for jobs and people to continue decentralizing within the larger region intensifies New York City's declining position. Maps 10.1a and 10.1b demonstrate clearly that demographic growth has been strongest at the peripheries of the region. Map 10.3 shows that job gains and losses have paralleled population changes. Within the urban core of the region (including New York City and older cities on the New Jersey side), the number of jobs has declined, whereas net job additions have taken place almost exclusively in the peripheral counties of all three states.

In the area of air and sea transport, as well, there has been a decline in New York's proportional share of U.S. international traffic, even though the actual volume continues to rise. This loss of share, however, was inevitable, given that the Atlantic is no longer *the* monopoly route for international trade; Los Angeles dominates shipping on the Pacific Rim, which is now the trade route experiencing the fastest growth. Furthermore, New York is no longer even the indispensable "break-in-bulk" point for air and water transport from the Atlantic, especially since containerization has delinked landfall and inventory taking. Even so, as late as 1989, New York's ports (including Albany but not New Jersey) still led those of Chicago and Los Angeles in raw tonnage imported, although they fell behind the ports of Los Angeles as measured by raw tonnage exported.¹⁵

New York City's share of the region's shipping, however, has been slipping as the New York harbor itself silts up and as the Port Authority of New York–New Jersey favors further investments in New Jersey.¹⁶ For some time now, New York City's maritime installations have required government subsidies to make up operating losses at major terminals along the Brooklyn shore, western Manhattan, and Staten Island. A set of new plans to recycle the city's waterfronts for more "profitable" uses is already under discussion, suggesting that shipping terminals on the New Jersey side have already won the competition.¹⁷

The differences among New York, Chicago, and Los Angeles are much smaller with respect to revenues from air freight.¹⁸ Not only has increased airplane capacity for weight bearing and distance made it possible for direct shipments to be sent from and received at other eastern international airports (notably Miami and Atlanta), but the removal to or supplementing of local air and sea port facilities on the New Jersey side have naturally reduced the city's share of jobs connected to air travel and transport. Passenger service has followed air freight, with new installations at Newark Airport aiming to surpass John F. Kennedy International Airport as the busiest regional hub for air travelers.¹⁹

Bimodal Expansions in Services

Countering these downward trends in manufacture and transport, of course, has been the increase in the proportion of the region's labor force engaged in services. As late as 1978, manufacturing and services each provided some 22 percent of the region's jobs, but after that date, manufacturing employment declined whereas the proportion in services rose steadily; by 1994, almost one-third of all workers had jobs in "undifferentiated" services.²⁰ This was by far the largest employment sector, providing some 2.8 million jobs in 1995 and dwarfing, in descending order, the 1.4 million workers employed by governments, the 1.2 million employed in retail trade, and the somewhat more than 800,000 employed in the much-touted FIRE sector, which many analysts claim to be the real growth engine of globalization.²¹

The FIRE sector, however, is especially unstable. After the economic downturn of 1987 associated with the Wall Street disaster, job creation plummeted to reach a nadir in 1991; since then, recovery on Wall Street has been sharp, although it has not succeeded in spreading its benefits to the rest of the region.²² If anything, job growth within the city seemed by 1996 to be outpacing job growth in suburban areas.²³ It is true that much of this gain was registered in the low-paid services demanded by the wealthy or in immigrant-related jobs serving ethnic needs. However, high-tech and computer services, so closely associated with California, are not absent from the New York scene. Recently, Manhattan has been innovating in these fields—in a zone of lower Manhattan punned as "Silicon Alley."²⁴ In this zone are located thousands of minifirms in the so-called new media industry (developers of "internet sites, multimedia software, online entertainment and other digital offerings"). Altogether, "they now employ more workers in the city than traditional media industries like television, book publishing or newspapers."²⁵

POLARIZATION OF INCOMES AND SPACE

Many of the general economic trends affecting the country as a whole have had particularly strong impacts on New York City and its region. In the most recent period, there has been a polarization in the location of economic activities and in the class and racial distribution of the city's and region's population. These patterns, however, cannot all be attributed to the single factor of "globalization." Furthermore, the patterns are far more complex than any simple model of a bifurcation between city and suburb would suggest. Given the geographic and jurisdictional fragmentations that have characterized the unbounded New York region almost from its inception, it is necessary to decompose the parts to explore the types of polarizations that are manifest. I propose, therefore, to look first at Manhattan, then at Manhattan in comparison to the other four boroughs, and finally at the city as a whole in relation to other parts of the larger CMSA and the Regional Plan Association's thirty-one-county region. In this way, it should be possible to unpack the nature, degree, and patterns of differential "polarization" taking place.

We have already seen from the earlier map series the degree to which spatial polarization has occurred between the region's central counties (in New York and New Jersey), with their stagnant or declining populations, and the more peripheral counties that have been growing faster, in terms of both population and jobs. This is the context within which more particular trends must be placed.

Income Polarization in Manhattan

Throughout history the rich and the poor have shared Manhattan Island, and it is impossible to determine whether the gap between the fabulously wealthy Astor family and Jacob Riis's "other half," so evident at the turn of the century, is now more or less extreme than it was then. Hard evidence for the relative "degree" of polarization today is inconclusive. It depends upon how the gap is measured, which units are selected for comparison, and over what time span change is examined. But because of the dense settlement of Manhattan Island and its patchwork quilt of neighborhoods, the contrasts appear particularly stark there.²⁶

One attempt to trace changes in income distribution in the New York region is reported in a pair of graphs that appear in Mollenkopf and Castell's edited volume *The Dual City: Restructuring New York*.²⁷ These graphs, reproduced here in Figure 10.1, show the estimated distribution of households by income class in the New York metropolitan area in 1949 and again in 1979.

The graphs reveal that as early as 1949 (and I would suggest much earlier as well, although Vernon's data do not go back before that), Manhattan already exhibited a marked bimodal class pattern, indicating that it was the residence of both the region's very rich and its very poorest. Middle-class residents were significantly under-represented. In contrast, the core region just outside Manhattan (then consisting mostly of the outer boroughs of Brooklyn, the Bronx, Queens, and Staten Island) was the preferred home of working- and middle-class New Yorkers in 1949. In this zone the distribution of households by income class followed an almost normal bell-shaped curve, with most household incomes concentrated within the middle range. At that time, the "inner ring" of suburbs surrounding the city itself contained households whose incomes were skewed nearly toward the upper ranges, identifying early "suburbia" with middle- and upper-class residents. (In contrast, the zone that then constituted the "outer ring" of the region showed a relatively flat income distribution, suggesting that its range and diversity were still relatively independent of the trends in the city and its immediate suburbs; that zone included fishing and agricultural settlements as well as industrial communities and "normal" small towns.)

By 1979, these distributions had altered dramatically. Manhattan remained the only borough with more low- and high-income than middle-income families, but the extremes evident in 1949 had become considerably muted; the U-shaped curve was much flatter. The outer boroughs, in the meantime, had become much more "proletarianized," with a monotonic descent from the lowest to the highest income classes. This reflected the radical changes initiated in the postwar period, when many of the predominantly white middle- and working-class residents of the outer boroughs moved

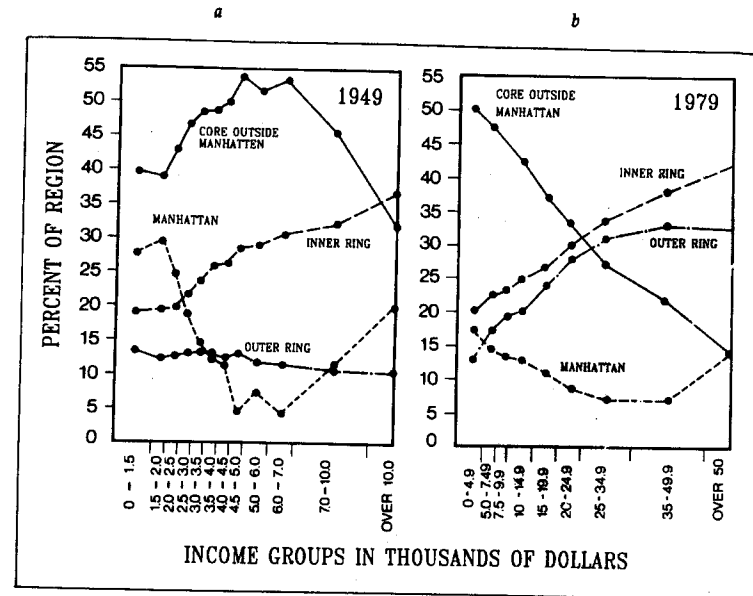


Figure 10.1. Pair of graphs showing estimated distribution of households by income class in the New York metropolitan area in 1949 and 1979. Source: Richard Harris, "The Geography of Employment and Residence in New York since 1950," in *The Dual City: Restructuring New York*, ed. John Mollenkopf and Manuel Castells (New York: Russell Sage Foundation, 1991). The 1949 graph appeared originally in Raymond Vernon, *Metropolis 1985* (Cambridge: Harvard University Press for the Regional Plan of New York, 1960), 148.

farther out into the new mass suburbs that were mushrooming. Their places were taken by "minorities" (mostly Puerto Ricans and African Americans), supplemented later by the "new immigrants" from the Caribbean and Asia, who have used these districts to gain a foothold in the metropolis.

During the 1980s, income inequalities within Manhattan may have again widened. This is certainly the point that Andrew Beveridge's computer maps of census tract data from the 1990 U.S. Census bring out clearly.²⁸ Summarizing these findings, Sam Roberts notes that "while the income disparity has historically been large in Manhattan, it widened to a greater degree in the 1980's than in any other county with 50,000 or more people." By 1989, the richest 20 percent of households in Manhattan had incomes more than thirty times as large as the poorest fifth. (This discrepancy was even greater than the increase in inequality for all U.S. households.) And the contrast between the average family income in Manhattan's poorest census tract (West Harlem, where it was only about \$6,000) and its richest one (Carnegie Hill on the Upper East

Side, where average family income exceeded \$300,000) was unbelievably large. As might be expected, Manhattan's wealthiest heads of households tend to be native-born and employed in management and the professions, whereas many of the poorest are African American or Latino (both native Puerto Ricans and Caribbean foreign-born), unemployed or out of the labor force, and include children living in female-headed households—the poorest group in the city.²⁹

Roberts concludes that the middle class is being squeezed out of Manhattan, but as we have seen from Figure 10.1, at midcentury the middle class usually did not live in Manhattan anyway. Although the largest proportion of jobs in the New York region are still located in Manhattan, the best-paying ones are often held by commuters from the inner and outer rings of suburbia, whereas many of the poor living in the city are aged, unemployed, or underemployed members of "minority" groups.

NEW YORK CITY'S OUTER BOROUGHS: INCREASING POVERTY

Despite Manhattan's ability to selectively retain and/or attract well-paid younger professionals, demographic changes during the 1970s and 1980s in the rest of the city, most particularly in Brooklyn and the Bronx, meant that New York City as a whole has become more polarized by ethnicity, race, and class. Whereas New York City's five boroughs had ranked only eleventh among those cities with the largest income disparities in 1980, its growing class polarization had moved it "up" to fifth among such cities by 1990. And within the larger New York metropolitan area, poor people were "more concentrated in the city itself than in any other major metropolitan area except San Antonio."³⁰ Furthermore, between 1980 and 1990, the city's poor had gotten poorer,³¹ and in Manhattan, Brooklyn, and the Bronx (and in Newark across the state line in New Jersey), the proportion of middle-class residents had declined precipitously. These changes were, in part, traceable to racial and ethnic factors.

Racial and Ethnic Polarization by Boroughs

Transfers of population account for most of the radical shift in the racial composition of the outer boroughs, as shown in Table 10.1. This ethnic/racial transition was accompanied by an absolute net decline in the total population in just those boroughs where the demographic composition changed most in the years between 1960 and 1990. Thus Manhattan's population declined from close to 1.7 million in 1960 to only 1.4 million by 1980, before rising slightly to almost 1.5 in 1990. The population of Brooklyn dropped from 2.63 million in 1960 to 2.23 million in 1980, before rising slightly to 2.3 by 1990. The Bronx's population decreased steadily for two decades—from 1.4 million in 1960 to 1.17 million in 1980, recovering only slightly to 1.2 million by 1990.

The "whiter" outer borough of Queens, after increasing from 1.8 million in 1960 to almost 2 million by 1970, actually experienced a slight dip in the total by 1980 (to about 1.9 million by 1980), before rising slightly to more than 1.95 million in 1990. But its moderate change in total conceals a fairly radical shift in the bor-

Table 10.1. Population (in thousands) of New York City by borough, 1940–90, showing the estimated declining percentages of "whites"

	1940	1950	1960	1970	1980	1990
New York City	7,455	7,892	7,782	7,895	7,072	7,323
Percentage "white"	94	90	85	NA	61	52
Manhattan	1,890	1,960	1,698	1,539	1,428	1,456
Percentage "white"	83	79	74	NA	59	59
Brooklyn	2,698	2,738	2,627	2,602	2,231	2,301
Percentage "white"	95	92	85	NA	56	47
The Bronx	1,395	1,451	1,425	1,472	1,169	1,173
Percentage "white"	98	93	88	NA	47	36
Queens	1,298	1,551	1,810	1,986	1,891	1,911
Percentage "white"	97	96	91	NA	71	58
Staten Island	174	192	222	295	352	371
Percentage "white"	98	96	95	NA	89	85

Note: The 1990 figures have not been corrected for undercount. Hispanics have been apportioned to "white" and "nonwhite/other," depending upon their self-identification. The figures for 1970 have been omitted because Hispanics were not allocated by race in that census. In 1980, 21 percent of the city's residents were of Hispanic origin, a figure that had increased to 25 percent by 1990. See the discussion in Chapter 7 of the "ambiguities" of the terms *white*, *black*, and *other* among Puerto Ricans in New York. If the Puerto Ricans (who have increasingly tended to report themselves as "white") are omitted, the proportion of "non-Hispanic whites" had declined to 43 percent of the total by 1990 (see City of New York Department of City Planning, *New York City Population Trends* [July 1995]) and the degree of segregation between "whites" and "minorities" would increase. In the analysis that follows, I calculate the borough-by-borough redistribution of blacks and Puerto Ricans over the past few decades.

Source: Susan S. Fainstein, Ian Gordon, and Michael Harloe, eds., *Divided Cities: New York and London in the Contemporary World* (Oxford: Basil Blackwell, 1992), 27, Table 1.2. They compiled their data from various tables in Ira Rosenwaike, *Population History of New York City* (Syracuse, N.Y.: Syracuse University Press, 1972), U.S. Census returns, and E. B. Fiske, "New York Growth Is Linked to Immigration," *New York Times*, February 22, 1991, Table A.

ough's composition: from the 1980s on, Queens became the prime destination for a variety of new immigrants. Staten Island, in contrast, experienced overall population increases during the entire thirty-year period, even as its modest minority population also grew.

But here again, the situation in New York City is far more complex than can be captured by the simple model of invasion-succession and white flight. Table 10.2 conveys a part of the story, although because the boroughs, except for Staten Island, are so large, the overall figures conceal the degree of *resegregation* that has taken place *within* certain boroughs that, at the aggregate level, may give the impression of being more racially integrated. Rather than scattered at random in those boroughs, minorities tend to be concentrated within specific subsections. Confounding the story also is the presence of Puerto Ricans, still the single largest subgroup of Hispanics in the city, who, as I have pointed out earlier, have tended to report themselves as "white" in

Table 10.2. Estimated distribution of African American "blacks" and persons of "Puerto Rican birth or descent" by borough, New York City, 1960-90

	1960	1970	1980	1990
Total New York City ^a	7,781,984	7,599,419	7,071,639	7,322,564
Manhattan	1,698,281	1,539,233	1,428,285	1,487,536
The Bronx	1,424,815	1,471,701	1,170,344	1,203,789
Brooklyn	2,627,319	2,602,012	2,230,936	2,300,664
Queens	1,809,578	1,986,473	1,891,325	1,951,598
Staten Island	221,991	295,443	352,121	378,977
"Black" population ^b				
Total New York City	1,087,931	1,670,115	1,784,337	2,102,514
Manhattan	397,101	380,442	309,854	326,969
The Bronx	163,896	357,681	371,926	449,399
Brooklyn	371,405	656,194	722,812	872,305
Queens	145,855	258,006	354,129	423,211
Staten Island	9,674	17,792	25,616	30,630
Estimated Puerto Rican origin/descent				
Total New York City	612,874	811,839	862,372	896,763
Manhattan	225,639	185,323	166,328	154,978
The Bronx	186,885	316,772	322,098	349,115
Brooklyn	180,114	271,769	279,646	274,530
Queens	17,432	33,141	83,245	100,410
Staten Island	2,804	4,834	11,055	17,730

Note: The common designations of the boroughs appear in this table instead of their formal county names, which appear in census volumes. For the uninitiated, Manhattan is New York County, Brooklyn is Kings County, and Staten Island is Richmond County. The Bronx and Queens are those boroughs' official names, which are also used in common parlance.

^aThe subtotals for blacks and Puerto Ricans should not be added because of some overlap. The number of whites cannot be estimated by subtracting the number of blacks and Puerto Ricans from the total, because persons of Asian and "other" races are not included in this table.

^b"Black" population includes not only native-born African Americans but some immigrants from the Caribbean and Africa, as well as an unknown number of Puerto Ricans and other Hispanics who reported their race as "black."

Source: My own calculations based on successive U.S. Census returns.

sufficiently large numbers to lead analysts to overestimate the degree of racial integration in boroughs that now have "minority majorities."

In Table 10.2, I have estimated the changing size of the two largest "minority" (mostly) nonimmigrant groups³² in the city—African Americans and Puerto Ricans—in the individual boroughs, even though it is impossible to differentiate the two completely. I have employed an ingenious method of tracking Puerto Rican identity through the changing definitions used over the last four census returns. While my figures are only approximate and contain some overlap, I believe that they shed new

Table 10.3. Estimated percentage distribution of African American and Puerto Rican populations in the five boroughs of New York City, 1960-90

	1960	1970	1980	1990
New York City				
All boroughs	100.0	100.0	100.0	100.0
Manhattan	21.8	20.3	20.2	20.3
The Bronx	18.3	19.4	16.5	16.4
Brooklyn	33.8	34.0	31.5	31.4
Queens	23.3	26.1	26.7	26.7
Staten Island	2.9	3.9	5.0	5.2
"Black" population ^a				
All boroughs	100.0	100.0	100.0	100.0
Manhattan	36.5	22.8	17.4	15.5
The Bronx	15.1	21.4	20.8	21.4
Brooklyn	34.1	39.3	40.5	41.5
Queens	13.4	15.4	19.8	20.1
Staten Island	0.9	1.1	1.4	1.5
"Puerto Rican" population				
All boroughs	100.0	100.0	100.0	100.0
Manhattan	36.8	22.8	19.3	17.3
The Bronx	30.5	39.0	37.4	38.9
Brooklyn	29.4	33.5	32.4	30.6
Queens	2.8	4.1	9.7	11.2
Staten Island	0.5	0.6	1.3	2.0

Note: Figures do not add to 100 because of rounding. I have calculated percentages only to show relative decentralization. Given the manner in which the figures have been "reconstructed," it would be illegitimate to derive percentage distributions by race and origin/descent for the city and boroughs as a whole over time. The situation in 1990 is best reconstructed from Table 10.4.

^aThe "black" population includes immigrants from the Caribbean basin, of which the largest groups came from Jamaica and the Dominican Republic. Haiti and other Caribbean islands, as well as Africa, have also contributed to the growing black population of New York.

Source: My own calculations based on successive U.S. Census returns.

light on the locations of New York's poorest minority groups: African Americans and Puerto Ricans (whose current socioeconomic status is even more precarious than that of New York blacks).³³ As is readily apparent from the table, not only have the numbers of blacks and Puerto Ricans increased over the past three decades, but there has been a progressive "decentralization" of these two "minorities" from Manhattan to the outer boroughs. Table 10.3 presents estimates, over that period, of the percentages of all "blacks" and all "Puerto Ricans" who lived in the various boroughs.³⁴

It should also be noted that ever since the late 1960s, after the immigration laws were changed in 1965, "Hispanics" other than those of Puerto Rican origin and descent have become more numerous in the city. By 1990, persons of Puerto Rican origin/descent constituted only half of all Hispanics in the city. At present, the largest number

Table 10.4. Percentage distribution by race/Hispanic origin of the population of the NY/NJ/CT CMSA, the NY PMSA, Manhattan only, and the outer boroughs of New York City, 1990 Census

Race/ethnicity	% in geographic unit or subdivision reporting			
	CMSA	PMSA	Manhattan	Outer boroughs
White non-Hispanic	63.2	47.9	48.9	41.8
Black non-Hispanic	16.4	23.2	17.6	27.2
Amerind non-Hispanic	0.2	0.2	0.2	0.3
Asian non-Hispanic	4.6	6.2	7.1	6.6
Other non-Hispanic	0.2	0.3	0.3	0.3
Hispanic (any race)	15.4	22.1	26.0	23.9

Note: Hispanic refers to persons identifying themselves as of Hispanic origin, regardless of the races they reported. This is particularly important in New York because of the ambiguities of Puerto Rican responses and because a large proportion of Hispanics actually reported themselves as "other race."

Source: My own calculations based on U.S. Census returns.

of foreign-born Hispanics hails from the Dominican Republic. They totaled some 333,000 by 1990, and their numbers may have risen by the mid-1990s to half a million.

Immigration has also increased the number of non-Hispanic blacks in the city, as immigration from English-speaking and Francophone islands in the Caribbean has increased. Although the native-born population of African Americans continues to grow from natural increase, in recent decades there has actually been a net outflow from migration, both to selected other parts of the metropolitan region and to southern cities. A recent projection made by the New York City Department of Planning suggests that by the year 2000, the proportion of the city's population that is of Hispanic origin will, for the first time, exceed the proportion of black non-Hispanic residents (29 versus 26 percent).

RACIAL AND ETHNIC POLARIZATION BY CENTRAL COUNTIES AND SUBURBAN RINGS

By 1990, the ethnic and racial distributions in space over the entire New York-New Jersey-Connecticut CMSA reflected the further dispersal of the "white non-Hispanic" population to areas outside the city of New York, as the population within the city proper became increasingly "minority." Table 10.4 shows my calculations from the 1990 census returns. The reverse pattern was true for both the inner and outer suburban rings, which demonstrated a roughly monotonic increase in incomes and, as can be inferred from Table 10.4, contained populations that were more likely to be classified as "white non-Hispanic." The percentage of "whites" in the "really suburban" areas would, of course, be much higher if the CMSA did not also include such "majority-minority" large cities as Newark and some of its surrounding areas.

Table 10.5 shows my reconstruction of the racial/ethnic composition of the four "truly suburban counties" adjacent to New York City that fall within New York State

Table 10.5. Estimated number of "whites," "blacks," and "Puerto Ricans" (in thousands) living in four New York State suburban counties adjacent to New York City, 1960-90

Year	Nassau County	Suffolk County	Rockland County	Westchester County
"Whites"				
1960	1,258	632	130	746
1970	1,356	1,066	216	803
1980	1,204	1,185	232	730
1990	1,115	1,190	223	694
"Blacks"				
1960	39	33	7	61
1970	66	53	13	85
1980	91	71	18	105
1990	111	83	27	120
"Puerto Ricans"				
1960	4	7	2	3
1970	7	17	4	6
1980	14	36	6	18
1990	18	44	8	27

Note: Figures do not add to the county totals because of rounding and because Asians and "others" have been left out of the "racial" categories.

Source: My own calculations based on successive U.S. Census returns.

(Nassau and Suffolk on Long Island to the east, and Rockland and Westchester to the north).³⁵ As is readily apparent, even though these counties represent "overflow spaces" from Brooklyn-Queens and the Bronx that, in the immediate postwar period (1950s and 1960s), absorbed many new suburbanites,³⁶ there was little initial movement of African Americans and Puerto Ricans into them. The number of Puerto Ricans and "blacks" increased only in the 1970s and 1980s, after the heaviest influx of population to these counties had already ceased. Some minority succession or dispersion can thus be inferred. During the two decades between 1970 and 1990, however, the "peripheral" areas that absorbed most of the decentralizing minority residents were the cities and their immediate suburbs in northern New Jersey.

Given these findings, it is hard to claim that globalization and economic restructuring have been the sole causes of class bifurcation in New York City or its region, although they may certainly have contributed. A second factor, however, and one more directly linked to globalization, is immigration, which has brought a large recently arrived population to New York—many of them just starting out in their new setting.

IMMIGRANTS ENTER NEW YORK CITY

Between 1980 and 1990, New York City added close to a million and a half residents through immigration, which more than compensated for the loss of native-born

"whites" in that decade.³⁷ Although this total was smaller than the more than two million immigrants received by Los Angeles in the same decade, the sources from which New York's newcomers have been drawn are far more diversified than those of Los Angeles. The five top "sending countries" to New York City in the 1980s were the Dominican Republic (more than 145,000),³⁸ followed by China and Jamaica (each with about 74-75,000), Colombia (some 67,000), and Korea (about 58,500). Thus the largest source (the Dominican Republic) accounted for only about a tenth of all immigrants, and each of the next four countries for one-twentieth or less of the total. Altogether, the top five countries contributed only 28 percent of all immigrants. The remainder came from virtually every other country in the world. In contrast, more than 40 percent of Los Angeles's immigrants in the same period hailed from a single country, Mexico.³⁹

As has traditionally been the case, recent immigrants have favored the center cities of the region. In 1990, one out of every five residents in the tristate consolidated metropolitan statistical area had been born abroad. In the somewhat smaller New York primary metropolitan statistical area, the proportion was closer to 27 percent. And by that year, the proportion of foreign-born in New York City approached 29 percent. Indeed, without this immigration, the city would actually have lost population in the intercensal period, instead of gaining. The diversification of immigrant streams, coupled with the contribution to population growth that immigrants have made in New York, may account at least in part for the somewhat more favorable attitude toward immigrants that New York, as contrasted with Los Angeles, has shown.⁴⁰

The foreign-born population is not distributed at random within the five boroughs. As the data presented in Table 10.6 show, although the proportion of foreign-born residents increased everywhere in the city between 1980 and 1990, certain boroughs absorbed disproportionate shares. During the 1980s, Queens became the major recipient of immigrants, and by 1990 well over a third (36 percent) of its population had been born abroad. Brooklyn came next, with more than 29 percent foreign-born. The proportion of foreign-born in Manhattan was 25.8 percent. The Bronx absorbed an even smaller percentage of immigrants, with only 23 percent of its population born outside the United States, many of them "people of color." On Staten Island, the "whitest" of the boroughs, the proportion of the population born abroad was still less than 12 percent.⁴¹

The category "foreign-born," however, is too broad to unpack the ethnic diversity of New York City, because various nationality groups have tended to concentrate within specific boroughs and neighborhoods. Dominicans have settled largely in Washington Heights on the northwest side of Manhattan, whereas Chinese immigrants have favored Chinatown in lower Manhattan or its satellite settlements in Brooklyn and Queens. Jamaicans and other English-speaking West Indians have been inserted largely into African American areas in Brooklyn, such as Bedford-Stuyvesant and its extensions, where English predominates. Francophone black immigrants have formed their own subareas. Brooklyn and, even more so, Queens have received most of the immigrants who speak languages that are not included in the schools' usual bilingual programs (which concentrate on Spanish and English).

Table 10.6. Percentage of residents born outside the United States by borough, 1980 and 1990

Year	New York City					Staten Island
	Total	Manhattan	The Bronx	Brooklyn	Queens	
1980	23.6	24.4	18.4	23.8	28.6	9.8
1990	28.4	25.8	22.8	29.2	36.2	11.8

One response to this linguistic diversity is found in the public school system, where immigrant children now account for about a third of the city's 150,000 new students. In 1995 the New York Board of Education proposed a new school to be located in Queens and designed for speakers of languages other than English or Spanish. Initially, the students would be taught in eighteen different languages.⁴² The executive director of the New York Immigration Coalition hailed this, calling it "an example of New York being a lot more courageous than other parts of the country in remaining level-headed in the dialogue about immigrants."⁴³ To attract students, the establishment of the school was advertised in the many foreign-language newspapers published in the city, but its projected enrollment of only a thousand students will fall far short of the magnitude of need.

The inflow of immigrants to the city has shown no signs of letting up. In fact, from 1990 to 1994, well over half a million new (legal) immigrants entered the city,⁴⁴ and one can presume a minimum of perhaps another 50,000 to 100,000 are illegal entrants. During this interval, the Dominicans remained the largest contributors (more than 110,000), but the "new" item was that the second-largest group came from the former Soviet Union (66,301). China, including Hong Kong and Taiwan, ranked third with 59,798. The remaining groups slipped in numbers: Jamaica was fourth with 32,918, then came Guyana with 30,764, Poland with 19,537, the Philippines with 17,378, Trinidad and Tobago with 15,878, Haiti with 14,957, India with 14,486, Ecuador with 143,980, Ireland with 12,403, Colombia with 11,309, Bangladesh with 9,556, Korea (North and South) with 8,626, Pakistan with 7,465, and down to Ghana (fortieth rank, the last shown in the table) with 1,696.⁴⁵

Rearranging the top forty sending countries by world regions, we find that almost half (212,000) came from various parts of the Caribbean (mostly black, including English, Spanish, or French Creole speaking). Asia contributed almost 125,000 legal immigrants (mostly from the various "Chinas" but also from assorted countries such as the Philippines, India, Bangladesh, Korea, Pakistan, Vietnam, and Japan, in descending order). European countries also accounted for a considerable number (close to 100,000), most but not all of whom came from behind the former Iron Curtain, including more than 66,000 from the former Soviet Union, by then the second-highest sending source. In marked contrast to Los Angeles, for example, the nine Central American and South American sending countries in the top forty contributed only 46,139 Spanish speakers.⁴⁶ Immigrants from the Middle East and Africa were toward the bottom of the list.

Because of this linguistic and ethnic diversity, it is difficult to claim that immigration per se has been responsible for the class bifurcation in the city, although it undoubtedly has contributed to changing the racial composition of the city's population, with Dominican and Jamaican immigration increasing the proportion of "blacks" and Chinese and Koreans the proportion of "Asians." It would be illegitimate, however, to translate these changes into direct economic effects. Far more important have been the general changes in the economy, as well as in the opportunity structure for immigrants that these changes have wrought. For example, it is unlikely that the New York garment trade (sweatshops and all) would have revived as it has without the presence of a large available labor pool of new immigrants.⁴⁷

Economic Niches for Immigrants and "Natives"

The most sophisticated attempt that has been undertaken to date to decompose the new immigration into its component parts and to trace how immigrants and indigenous "minorities" are differentially inserted into the complex mosaic of New York City's class/job structure is Roger Waldinger's *Still the Promised City*.⁴⁸ Waldinger attempts to refute the popular thesis that the growth of an African American underclass in large city "ghettos" is due simply to deindustrialization and the spatial mismatch between center-city residence and peripheral job locations.⁴⁹ Instead, Waldinger argues that, in New York City at least, African Americans have not been adversely affected by the decline in industries, largely because they had never been part of the industrial workforce. Furthermore, he notes that some African Americans in New York have undoubtedly experienced some occupational mobility, moving into economic niches, primarily in the public sector, that are quite distinct from those for which the new immigrants are eligible. Aside from pointing out that such civil or social service jobs cannot generate the same mobility ladder that immigrant entrepreneurship can offer, he tends to rest his case there.

However, there are some problems with Waldinger's argument. His data are about jobs (i.e., employed persons), not persons or families. Indeed, his analysis is confined to *job holders between the ages of twenty and sixty-five*. It therefore excludes black and Puerto Rican teenagers and very young adults, many of whom are unemployed or underemployed or have become discouraged in a fruitless search for jobs. And even within the targeted prime working-age group, his analysis omits persons without jobs (the imprisoned, the unemployed, and individuals no longer "in the labor market"). Thus Waldinger actually ignores the putative "underclass"—the half million New York City residents on welfare, the half million residents of public housing, the teenagers and adults who are not working (these groups are not mutually exclusive). If he had included these, his conclusions would be quite different.

Despite the mobility of educated African Americans into the civil service and into the growth sector of public and private health care, a sizable proportion of the community has been left behind. Between 1970 and 1990, employment rates for native-born black and Hispanic men between the ages of twenty-five and sixty-five dropped from 80 percent to less than 70 percent, whereas those for native-born

whites and the foreign-born (including blacks, Hispanics, and Asians) remained over 80 percent. Among women in those age categories, labor force participation rates generally increased during those two decades, but the discrepancies were much greater. In 1970, some 70 percent of foreign-born black women were working, a rate that had increased to three-quarters by 1990. White native-born women also increased their employment—from 50 percent working in 1970 to more than two-thirds by 1990. Native-born black and Asian-born women had lower rates of employment, with both groups more likely to have been employed in 1980 than in 1990. By 1990, Hispanic women (both native- and foreign-born) had the lowest rates of employment, with the foreign-born only slightly higher than the native-born (chiefly Puerto Rican).⁵⁰

The native-born black and Puerto Rican men least likely to have jobs were those with the least education. The mismatch thesis essentially assumes that, had there not been deindustrialization (and/or new immigration), such men *could have* started on the job ladder at unskilled levels and gradually moved up. Regardless of whether or not that might have happened, the fact is that a substantial proportion of New York's African American and Puerto Rican populations are poor and are trapped at the bottom, in part because they are not working. Thus Waldinger's findings on the niches of immigrants versus minority native-born persons are not necessarily inconsistent with the "underclass" argument. To the contrary, there is evidence that the number of poor families in the city has increased (or at least not declined) in recent decades, a phenomenon linked both to family structure and to differential labor force participation.

THE GROWING NUMBER OF POOR IN NEW YORK CITY

Changes in the composition of the city's population by race, ethnicity, and place of origin (Puerto Rican or immigrant) have contributed to the recent increase in the number of poor New Yorkers. However, it is impossible to determine exactly how much of this additional poverty has been caused by the globally generated economic decline in the city, region, and nation and how much is attributable to the city's changing compositional "mix" of population. There is a strong interaction effect that, when coupled with the diversity concealed *within* categories of race, ethnicity, and national origin, makes the situation extremely complex.

Certainly, poverty increased throughout the United States in the 1980s and early 1990s. The number of poor people in the nation increased from 26 million to 37 million between 1979 and 1992, and the poverty rate rose from 11.7 to 14.5 percent of the total during that interval.⁵¹ It would be strange if New York had escaped this trend, and, indeed, increases in poverty in New York City neatly tracked it. In 1979, the number of poor New Yorkers was close to 1.4 million, and the "poor" constituted about 20 percent of the total population; in the 1980s the total number of poor persons in the city fluctuated between 1.5 and 1.8 million, and by 1992 it stood at 1.65 million. Since 1984, at least, about 24 percent of all city residents have been classified as poor.⁵²

Table 10.7. Number of poor (in millions) and poverty rates by race/ethnicity, New York City, selected years between 1984 and 1992

Year	Total		Non-Hispanic white		Non-Hispanic black		Hispanic	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1984	1.735	24	.306	9	.587	32	.781	43
1985	1.757	24	.326	10	.534	32	.931	44
1986 ^a	1.483	21	.294	9	.408	27	.677	36
1987	1.680	23	.282	8	.549	34	.753	42
1990	1.839	25	.359	12 ^b	.583	33	.826	43
1991	1.712	24	.380	12	.512	29	.767	44
1992	1.651	24	.372	12	.593	33	.650	40

Note: Race/ethnicity categories are mutually exclusive.

^aThe figures for 1986 diverge so drastically from the "norm" that I find them suspicious.

^bThis sudden increase to a new and higher level may be related to immigration from Russia and other parts of Eastern Europe after "the fall."

Source: Data are from Terry J. Rosenberg, *Poverty in New York City, 1993: An Update* (New York: Community Service Society, 1994), 8, Table 1B. Figures have been processed from successive March Current Population Survey tape files, available in the following year.

Although the overall poverty rate in 1992 was higher than in 1979 for all racial/ethnic subcategories, the differences between the race/ethnicity-specific poverty rates have remained remarkably stable, suggesting that the rise in overall local poverty has been due, at least in part, to a change in the racial/ethnic "mix" of city residents. Rosenberg's study for the Community Service Society of New York carefully disaggregated the poor into three mutually exclusive categories (non-Hispanic whites, non-Hispanic blacks, and Hispanics of any race) and traced changes in their poverty rates in the 1980s and early 1990s.⁵³ According to Rosenberg's analysis, the number of poor people in New York City and the proportion of the city's residents who were poor increased between 1979 and 1992, even though the poverty rates *within* each racial/ethnic category remained quite stable. This suggests that some portion of the overall change came from a recomposition of the population, rather than from an overall decline in the average (see Table 10.7).

Among non-Hispanic whites, the proportion of poor remained quite low throughout the period—hovering under 10 percent up to 1989 but afterward rising to and then stabilizing at about 12 percent by the early 1990s, a rise possibly attributable to an influx of new immigrants from Eastern Europe. Throughout the period, the proportion of non-Hispanic blacks who were poor fluctuated between 27 and 34 percent, but no clear trend line can be identified. Most of the annual variance in the poverty rate was contributed by Hispanics (a category that includes not only new immigrants from Central and South America, but also Puerto Ricans). Hispanics consistently evidenced poverty rates of 40 percent or higher, and their numbers in the population have been rising. (Hispanics now constitute more than one-fourth of the population of New York City.)

Poverty among Puerto Ricans and Other Hispanics

As noted earlier, the economic condition of the Puerto Rican population of the city has become increasingly precarious over time, with poverty rates well above not only those of African Americans but those of immigrant Hispanics as well. In 1978, some 43 percent of Puerto Ricans (who then constituted about 12.3 percent of the city's total population) were classified as poor. At that time, "other Hispanics" exhibited a much lower poverty rate, with less than 6.6 percent having incomes below the poverty line. (This may be an underestimate because illegal immigrants may have been uncounted as well as poor.)

These discrepancies have subsequently narrowed. Gradually, the Puerto Ricans were joined by newer Hispanic immigrants, so that by 1987 the number of Puerto Ricans (by birth or by descent) was just about equal to that of "other Hispanics," a situation that has continued to prevail through the 1990s. By then the Puerto Rican poverty rate of 43 percent was only marginally higher than the 37 percent reported by "other Hispanics," many of whom were recent immigrants from the Dominican Republic.⁵⁴

The Contribution to Poverty of Family Type

As in other places, however, the association between poverty and single-female headed households is very strong, so that family poverty differentials are partially due to differences in the prevalence in each group of families with children headed by women. In each year for which data are available, the number of black and Hispanic families in poor female-headed households containing children under eighteen years of age was twice the number of comparably situated non-Hispanic white families, with blacks and Hispanics roughly similar in magnitude. Table 10.8 shows the interaction between race/ethnicity and poverty in female-headed families with children. It is clear, then, that the rise in poverty rates in New York is partially due to changes in the composition of the population, with Hispanics demonstrating the highest poverty rates, which in part is a function of the large number of "broken" families, especially among Puerto Ricans.⁵⁵

The somewhat more favorable condition of blacks in New York, in comparison to Hispanics, warrants comment. There has been some social mobility for black New Yorkers now that this population is no longer heavily weighted toward recent migrants from the South and has been infused by ambitious Jamaicans. Blacks are generally better educated than Hispanics (Puerto Rican as well as others) and are better positioned for jobs in the public sector because of citizenship and English proficiency. Despite this, a major gap remains between white non-Hispanics and black non-Hispanics. I will return to this theme when I discuss the pattern of New York's public expenditures and its large municipal labor force. Without the redistributive effects of the former and the job opportunities provided by the latter, the plight of minorities in New York would be even worse than it currently is. In conclusion, one cannot dismiss either the "job mismatch" or the declines in family stability and labor force participation as factors contributing to the growth of "need" in center cities of the New York region, especially among minorities.

Table 10.8. Percentage of female-headed households containing children under eighteen years of age with incomes below the poverty line, by race and ethnicity, New York City in selected recent years

	1984	1985	1986	1987	1990	1991	1992
Total	64.2	66.5	62.0	62.9	65.3	63.5	56.5
Non-Hispanic "white"	42.9	41.3	39.6	16.9	30.4	42.4	38.4
Non-Hispanic "black"	52.3	55.0	56.7	58.1	62.1	56.1	50.6
Hispanic	80.2	81.8	71.6	77.3	76.8	74.9	70.9

Note: In this table, the three racial/ethnic categories are mutually exclusive. Rosenberg has calculated the race/ethnicity-specific poverty rates using March Current Population tape files for each of the subsequent years.

Source: Terry J. Rosenberg, *Poverty in New York City, 1993: An Update* (New York: Community Service Society, 1994), 18, Table 4B.

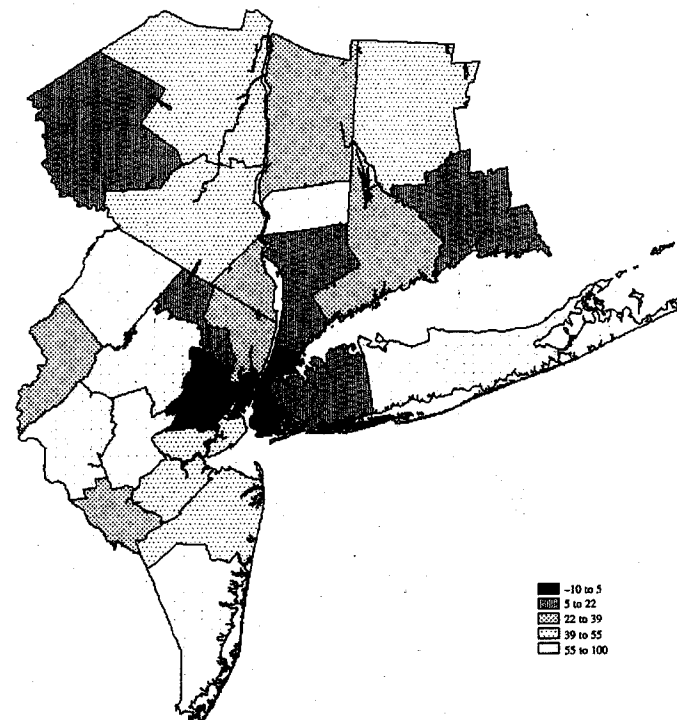
THE REGIONAL ECONOMY AND JOBS

Ever since the problem was first identified in the 1960s, analysts have been concerned with the erosion of jobs in the New York region. This problem has intensified over the past decade. Although this erosion has certainly not been as extreme as in the Chicago region, it is equally unlikely to be "turned around" through reindustrialization.

The issue of employment occupies a central position in the 1996 report *A Region at Risk*, which devotes a very strong chapter to concerns over employment. According to data presented by the report's authors, of the 19,747,964 people who lived in the thirty-one-county region in 1975, there were 6,214,900 employed workers (or 31.5 percent of the population).⁵⁶ Most of these workers (3.2 million) were concentrated in the urban centers of the region, which contained 9,239,468 of the total population;⁵⁷ of these 6.2 million jobs, 2.7 million were located in New York City, more than half of them in the central business district of Manhattan.

By 1985, despite the much-touted "globalization" of New York's economy, the population of the thirty-one-county region had declined to 19,190,960, even though jobs in the private sector rose dramatically to 7,568,800. Much of the gain in jobs was experienced by Manhattan's central business district, where employment rose from 1.5 to almost 1.7 million in the ten-year period. On the other hand, there was a steady erosion of jobs from other more local business zones, such as downtown Brooklyn, Jamaica, and Long Island City. Outer-ring suburban cities, such as White Plains, Poughkeepsie, and Stamford, Connecticut (favored as sites for corporate headquarters), did gain jobs, whereas jobs hemorrhaged from such formerly industrial cities as Newark and Trenton.

By 1993, despite an overall increase in the region's population to 19,843,157, the number of jobs in private employment had dropped to about 7.3 million, and the losses were pervasive in every center city. Employment in New York City dropped from 2,931,400 in 1985 to only 2,698,500 eight years later, with most of that decline absorbed by the Manhattan central business district. By then, employment was growing *only* in the outermost reaches of the thirty-one-county region.



Map 10.3. Jobs decline at the center, grow on the periphery. Percentage change in regional employment in the thirty-one counties of the region delimited by the RPA, 1975 to 1992. Source: I am indebted to Dr. Steven Weber of the New York Regional Plan Association for generating this map from computerized data from the U.S. Bureau of the Census.

Government Employment in New York City

The one area in which the city has *not* lagged behind in employment is the public sector, which accounts to some extent for the higher levels of municipal expenditures in the city in comparison to other major urban areas. For example, in 1977, even after the retrenchment required by the 1975 fiscal crisis, the city employed about 350,000 workers, and this number increased to 393,290 by 1985, at a time when other cities were still downsizing.⁵⁸ By 1989, according to a very careful analysis by political scientist Ester Fuchs, New York City was employing about fifty-five workers per one thousand residents, as contrasted with only fifteen per thousand in Chicago.⁵⁹

Conservative politicians and economists often attribute New York's recurrent budget crises to the power of its municipal labor unions,⁶⁰ but this seems not to be

true. As Fuchs's careful comparisons show, the "average expenditure per municipal employee was quite similar in New York and Chicago during the pre-fiscal crisis period."⁶¹ It was only because New York City was performing so many more functions than Chicago, and therefore required a commensurately larger labor force, that expenditures for labor were so high in New York. (See Table 10.9 for a controlled comparison.) On a more optimistic note, however, it is clear that without such public employment, the job situation in New York would be even dimmer than it is, and without the redistributive health, educational, social, and welfare functions these employees serve, the situation of poorer New Yorkers would be more desperate.

Unionization

Nevertheless, the fact that, in general, New York has led the country in unionization has undoubtedly caused *some* of the outmigration of jobs from the region. A recent report by the U.S. Bureau of the Census noted that "New York [State] has reclaimed its position as the most heavily unionized state, surpassing Hawaii, with a union membership . . . nearly double the level nationwide."⁶² Almost 29 percent of New York State's labor force belonged to a union in 1994, whereas in the country as a whole less than 16 percent of workers belonged to unions, only half the rate that obtained in the 1960s. But because much of New York's increasing union strength has come from the organization of public employees,⁶³ and, indeed, the rate of unionization among nongovernment employees has dropped precipitously—by 1994, down to only 18 percent—unionization alone cannot be blamed for the relocation of jobs from the area.⁶⁴ Rather, the unionization of public employees has tended to stabilize the local economy, even though such stabilization may have contributed to the city's fiscal crisis in 1975.

THE FISCAL CRISIS

The year 1975 will go down in New York City's history as the time when the city almost "went broke" and had to be rescued by bankers, the State of New York, and, eventually, the federal government. But for a brief time it appeared that the worst might happen.⁶⁵

On October 29, 1975, residents of New York City awoke to a banner headline on the front page of the *New York Daily News*: "FORD TO CITY: DROP DEAD." . . . The harsh realities . . . were that the nation's largest and most prosperous city was seriously threatened with the prospect of bankruptcy, its debt obligations were unpaid, and its banks were refusing to extend its credit line without federal loan guarantees.⁶⁶

The explanations for this distressing event are disputed. It would be easy simply to blame the fiscal disaster on the "global economy" and "restructuring," as some analysts have done. Such an explanation is not entirely without merit. As we have seen, weaknesses in the American economy had already begun to appear in the second half

of the 1960s, although it was largely the poor who first experienced them. In the opening years of the 1970s, the winding down of the Vietnam War led to a decline in short-term military production (although not in weapons development). And then the sudden rise in energy prices in 1973, as Arab oil exporters cut back production in reaction to renewed Arab-Israeli fighting, had a further dampening effect on industrial production, not only in the United States but in other developed countries as well. Such economic contractions naturally had exaggerated effects in "global" cities, especially in New York. Furthermore, currency destabilization on world markets was also occurring, as the Bretton Woods Agreement, which had up to then pegged exchange rates to the dollar, was ended.⁶⁷

In the larger picture, the simultaneous transfer of industrial production to overseas sites was becoming more common, so that although the profits of transnational corporations were holding up and even increasing, a rash of plant closings within the United States was beginning.⁶⁸ The demand for unskilled and semiskilled workers declined, as cheaper labor overseas was substituted for domestic. Eventually, some of that "cheap" labor found its way into large U.S. cities, thanks to major changes in immigration regulations that were instituted beginning in 1965.

All of these trends had adverse effects on the incomes of many workers in the New York region, thus increasing the number of persons eligible for income supplements, subsidized housing, free higher education, and governmentally supported health services, which the city had long accepted as part of its responsibilities to its citizens.⁶⁹ Indeed, the optimism of the postwar period had earlier led the city to expand its responsibilities toward its poorer residents, especially in the 1960s, when funds were forthcoming from Washington, either directly or indirectly through much-touted programs such as the "War on Poverty" and the "Great Society."⁷⁰

The proximate cause of the "fiscal crisis" of 1975, of course, was a gap between expenditures and income that had grown so large that it could be bridged, year after year, only by short-term borrowing, artfully concealed through overestimates of projected income, delays in payments, and some fanciful accounting procedures. In 1975, lenders finally balked at guaranteeing the city's fiscal capacity to meet its debt obligations.⁷¹ To understand the fiscal crisis, then, we must examine two variables: "excessive" spending and "inadequate" income.

Spending Patterns

Although Ester Fuchs, in an otherwise impeccable study, suggests that elected officials in New York City consistently "overspent" because they had to compete to "buy" voter support by expanding (presumably unnecessary?) services to the poor,⁷² a different and less cynical interpretation is also possible. The political culture of New York has traditionally been committed to social welfare goals in a manner that distinguishes it quite dramatically from most other major cities, even though voter turnout among the poor and minorities tends to be quite low, and few black politicians have exercised much power in the city, except in Harlem and sometimes, by extension, aided by "West Side liberals" in Manhattan.⁷³

Certainly, La Guardia had no need to "buy" votes when he instituted relief in the city in the depths of the Depression, nor was Robert Wagner Sr. simply trying to "buy" votes when he sponsored the first federal public housing law and the laws that instituted social security and gave unions protection against unfair employer practices. I think it is highly probable that Robert Wagner Jr. (Democratic mayor from 1954 to 1965) saw himself primarily as following in his father's footsteps when he expanded welfare and opened the way for collective bargaining with municipal unions, and that John Lindsay (Fusion mayor 1965-73) may have seen himself as inheriting La Guardia's mantle of compassion when he joined with alacrity the "War on Poverty."⁷⁴ It was during the terms of these two mayors that spending increased dramatically to weave a wider net of social supports for poor New Yorkers.

Nor were these two "spenders" mavericks on the political scene of New York. In many ways, New York had always taken pride in being rich enough to assist its less-privileged residents: by providing subsidized (originally free) institutions of higher learning; by replacing tenements with better housing; by making available access to a large system of health care facilities in clinics and hospitals; by offering nourishment, home care, and recreational facilities, as well as direct financial assistance, to its dependent children and the aged;⁷⁵ and by supplying all residents who wished to avail themselves of it with an extensive (and zoned) mass-transit system that needed permanent subventions to keep it running.⁷⁶ Once such services have been institutionalized, it is very difficult to cut back on them or to raise their prices,⁷⁷ and in times of optimism, it is highly tempting to expand them as additional needs are perceived, especially when federal policies support such expansions. It is therefore not hard to understand how New York's operating budget could have increased fivefold between 1960 and 1975, primarily in those functions Fuchs designates as "non-common."⁷⁸

Following the dual categories conventionally employed in fiscal data reporting, both Shefter and Fuchs distinguish between functions ordinarily performed by municipal governments in the United States and those that are not (see the discussion in Chapter 8, above). This distinction is crucial for understanding the differences in "political climate" between New York on the one hand and Chicago and Los Angeles on the other. Common functions include municipal administration and government buildings, as well as police and fire protection, sanitation, sewerage, highways, and recreation; these are ordinarily performed by all municipalities or their special districts. Noncommon functions involve more discretionary services—those designed to provide (some) city residents with, *inter alia*, health and hospital services, welfare, libraries, utilities, mass transit, corrections, education, and so on. As Fuchs points out, "Common function services have been classified as 'middle class,' 'allocational,' or 'essential' services," whereas "non-common functions are usually considered 'poor people's services' or 'redistributive services,'" most of which are strictly for the use of the city's low-income population.⁷⁹

It is clear that New York City, more than any other large city in the country, has been committed to giving greater assistance to the needy. By 1975, close to three-fourths of all municipal expenditures in New York City were directed toward non-common, (i.e., redistributive) functions. In contrast, in that same year only one-fifth

of Chicago's much lower budget was allocated to such purposes, even though, as a percentage of total city residents, Chicago's poor easily made up as large a proportion of the population as in New York.⁸⁰ Los Angeles, also, has devoted very little of its city budget to "redistributive" services.

But differing internal power systems and even ideologies are not the sole explanation. Part of the reason both Chicago and Los Angeles appear to be spending so little on welfare functions is that both cities have been able to "off-load" onto their respective counties (and even states) expenses for many functions that appear in the New York City budget because it has no "containing" larger county that could tap into the resource base of its suburbs. The legitimate comparison, then, is not between center cities, but between the five counties that make up New York City and the counties that include Chicago (i.e., Cook County), and Los Angeles (i.e., Los Angeles County).⁸¹ Although New York's costs still appear slightly higher, the differences are substantially reduced and can be accounted for largely by New York's higher transit and welfare costs.

It is extremely difficult to compare costs directly, especially when one wishes to include county as well as city expenditures. Therefore, in the discussion that follows I use the number of local government employees per function as a surrogate measure, especially because costs per worker are roughly similar in New York and Chicago (and can be presumed to be similar in Los Angeles).⁸² If costs per worker are so similar, then the difference in expenditures (and thus the "excessive costs" of municipal services in New York) can be explained largely by the fact that the New York City government performs a much greater number of functions and therefore requires a substantially larger staff of municipal employees.

Table 10.9 compares the number of employees by function for New York City and for the cities and their respective counties of Chicago and Los Angeles in 1974, the year just prior to the fiscal crisis. The table has been constructed using data that appear in the Twentieth Century Fund report of 1980, which estimated the number of government employees (in all local governments within their central county[ies] per ten thousand inhabitants) by function.⁸³

From this table it is clear that the residual differences among the cities in *common* functions can be explained largely by New York City's more complex and extensive transit system, compared with Chicago's smaller (and regionally supported) and Los Angeles's (until now) insignificant systems. In terms of *noncommon* functions, most of the difference can be attributed to New York's greater responsibility for welfare (because by 1974 the state of Illinois was responsible for Chicago-Cook County's welfare system, and many of Los Angeles County's poor were ineligible for welfare),⁸⁴ health, including hospitals, and public housing, in which New York City leads the nation. My conclusion is that there is some evidence of New York's greater commitment to the welfare of its residents, but when one includes all functions by taking into account the role of county and state government responsibilities in Chicago and Los Angeles, what initially appears as New York's extravagance tends to decrease, although not to disappear entirely. More than due to "local political strategies," then, the differences are attributable to political-institutional arrangements in which New York,

Table 10.9. Employees per ten thousand residents in October 1974 (all local governments in central county/ies) for New York City, Cook County (including Chicago), and Los Angeles County (including the city of Los Angeles) by function

Function	New York City	Cook County	Los Angeles County
Estimated full-time employees	596.4	392.1	473.5
Estimated full-time and part-time employees	642.5	455.4	481.3
Common functions:			
Employees			
Fire protection	18.3	11.6	12.0
Local utilities	61.0	29.2	29.7
Police protection	47.4	37.4	29.9
Sanitation	15.9	7.1	3.2
Sewerage	2.8	6.7	2.7
Corrections	8.1	2.6	9.5
Financial administration	5.6	4.1	7.7
General control	13.5	13.4	17.0
Water supply	3.8	6.2	8.1
Parks and recreation	8.2	12.3	11.6
Highways	10.4	9.6	8.3
Libraries	4.8	4.3	4.6
Other miscellaneous	53.1	57.2	64.0
Transit	57.2	22.9 ^a	7.9
All common functions	313.9	230.8	224.3
Common functions minus transit	256.7	207.9	216.4
Noncommon functions:			
Employees			
Public welfare	36.7	0.1 ^b	19.8
Hospitals	62.5	18.1	29.2
Health	10.7	5.0	5.2
Housing/urban renewal	18.7	4.7	2.1
All other unidentified	27.0	16.4	11.8
Education	176.7	170.1	180.5
All noncommon functions	305.3	198.0	234.7
Noncommon functions minus education	128.6	27.9	54.2

Note: The totals given on the first line do not add up to the totals derived if one adds the individual functions listed in the table. My attempt to locate the source of this discrepancy failed, so I assume the error may be in the original table.

^aChicago provides most of its mass transit through a regional authority that has its own revenue-raising powers.

^bThe state of Illinois absorbs all the costs of welfare for Chicago, whereas in New York, the state requires matching funds.

Source: Reorganized and reprinted with permission from Twentieth Century Fund/Century Foundation, *New York—World City* (New York: Priority Press, 1980), 91, Table 4.5.

because of its boundaries and its relation to state government, has assumed budgetary responsibility for many functions that elsewhere are funded by county and/or state governments. Nevertheless, these arrangements, which perhaps had few consequences when the city's finances were being supplemented by federal contributions, led to the disaster of 1975, when federal funds began to disappear.

Since that time there is some evidence that the city's commitment to redistributive goals has been undermined both by the harsher "discipline" imposed by the bankers in the Municipal Assistance Corporation (MAC), which backed the bond offer to rescue the city from receivership in 1975 in return for retrenchment, and by the state government, which, in return for absorbing certain expenses for the City University and a modest proportion of welfare costs, now supervises the city budget with even greater stringency.⁸⁵

The defection from the "welfare state" noticeable in recent years in the city, however, has come not only from intractable institutional arrangements, but from a falling away of middle-class support for services that seem more and more to be used by the city's minorities. Conflicts over public schools and over subway fares reflect some of these new alignments of power in the city. In the former, at least, New York is not that different from either Chicago or Los Angeles, as I show in Chapters 11 and 12.

Education

One of the major expenditures in city government in New York is for the public school system, which increasingly serves a nonwhite population, substantially greater than its representation in the general population, and, what has been a bone of contention for many years in the school system, employs a teaching and supervisory staff racially and ethnically distinct from its student body. As the city's white population has aged or has moved, and has been only partially replaced by childless professionals, the enrollment of white students in the public school system has declined, a trend that has been intensified by a growing dependence of working- and middle-class residents upon religious schools and by the continued reliance by the wealthiest residents upon expensive "private" schools (a functional "substitute" for a move to the suburbs).

The net result of these changes is that, by 1990, some 80 percent of all students in the New York City public school system were classified as "nonwhite." This has sharpened the racial contrast between students and public school employees and fed the movement for community control of local school boards. Despite efforts to recruit minority teachers, by 1990 only 29 percent of the teachers and 28 percent of the school principals were nonwhite. The tensions between the (white/Jewish-dominated) teachers' unions and the (mostly "minority") local groups seeking decentralized empowerment over the schools must be read in this context. (The Ocean Hill battle was the opening shot in this conflict.)

Given the overwhelming preponderance of nonwhite students in city schools, the question of using "busing" to foster racial integration has become somewhat irrelevant, especially given that free transportation by bus or subway is made available to all students. Nor have recent attempts to offer "choices," or to set up magnet schools or

"schools within schools," stanching the flow of "white" students from the public school system. In Manhattan, for example, with the exception of one oddly shaped school district (encompassing, *inter alia*, Battery Park City, Tribeca, Greenwich Village, Chelsea, and the wealthy Upper East Side) where enrollment of nonwhites was just under three-quarters in 1990, nonwhite students constituted 90 to 99.8 percent of all enrollees in that borough's remaining public schools. Of the twelve school districts in Brooklyn, there were only two in which whites constituted at least half of the students; many of the borough's other school districts (especially in the "midsection" of Bedford-Stuyvesant and neighboring zones) had enrollments that exceeded 90 percent nonwhite. In the seven school districts of Queens, only the two most outlying districts adjacent to suburban Nassau County had less than 60 percent nonwhite enrollment. The student body of East New York, in contrast, was 93 percent nonwhite. Staten Island was the only borough where nonwhites constituted a lower proportion, and even there, the 27 percent nonwhite enrollment exceeded the representation of nonwhites in the borough total. At the public college and university level, the proportion of nonwhites admitted has climbed dramatically, particularly after City College switched to an open enrollment policy. Since education is one of the major outlets for noncommon expenditures in New York City (and one that does not even appear in the city budgets of Chicago or Los Angeles), one can readily see why New York City's budget should be so high, even after retrenchments.

Privatized "Subsidies" for Common and Uncommon Functions

As the city has been forced to cut back on street-cleaning expenses and to redeploy its police force to areas of high crime and the narcotics trade, neglected commercial areas in the city have moved increasingly to set up paragonovernmental service zones (business improvement districts, called BIDs), in which adjacent property owners contribute to a fund that substitutes for or enhances services no longer provided by the municipality. This privatization, which amounts to a "user tax" on adjacent businesses (and, in some cases, even residences), conceals the level of financing of "common" expenditures, but at the cost of redistributing benefits in an unequal manner. In addition, the city has attempted to "extract" from private commercial builders subsidies, or even the direct provision of general amenities, through a complex bargaining system whereby the city planning office grants exceptions to zoning and height restrictions in return for builder-financed quasi-public open space at the street level. Because such amenities are located exclusively in thriving business zones and are often privately policed to exclude "undesirables," these, too, increase inequities.

Public Buildings, Housing, and Redevelopment

On the other hand, New York has not been able to unload onto other levels of government or onto private developers the costs of improvements in the built environment. As noted in Chapter 7, New York City provides subsidized housing for about half a million of its residents, a far greater proportion than in Chicago and astronomi-

cally greater than the number the city of Los Angeles provides. Construction of these subsidized units has continued with state and local funds, albeit at a lower level, after the federal subsidies virtually vanished. In contrast, Chicago stopped building public housing projects when federal funds dried up, and has now turned over its public housing entirely to the U.S. Department of Housing and Urban Development.⁸⁶ And Los Angeles had always lagged well behind the other two, even when funds from Washington were still available.

In addition, both Chicago and Los Angeles have been allowed to establish quasi-independent "nonprofit" organizations for reconstruction—in the case of Chicago, its Public Building Commission, and in Los Angeles, its Community Redevelopment Authority, both of which have independent revenue-creating powers and have access to restricted self-sustaining financing to carry out activities that in New York City remain part of the capital budget.⁸⁷

Resources

The year 1975 was a critical turning point for New York City's ability to garner the resources needed to pay for its generous redistributions. The resources at the city's command were shrinking,⁸⁸ not only because of economic contractions, defections from the city of job-providing enterprises, and the movement of higher-income (i.e., taxable) residents to suburbs in other states, but also because, increasingly, the city had become dependent upon other tax-collecting levels of government, both federal and state, to return at least a portion of the taxes city residents paid in order to support local needs. It was this increased dependence upon intergovernmental transfer payments that made New York City so vulnerable in that year.

In 1929, just before the Depression, some 80 percent of New York City's revenues came from property taxes and the rest from license fees and other locally generated revenues. Very little came from intergovernmental transfers. This began to change during the Depression, but even so, up to 1965 intergovernmental transfers accounted for only about a quarter of the city's revenue, still less than the steadily declining proportion derived from the property tax.⁸⁹ Beginning in the mid-1960s, while the proportion of revenues coming from property taxes continued to decline, there was a real increase in the amount (and proportion) coming from the state and, especially, from the federal government, an amount that, under President Johnson, rose dramatically. By the early 1970s, such transfers were accounting for about half of the entire revenue at the disposal of the city, although to receive them, the city often had to put up matching funds. As the Twentieth Century Fund's task force reports in its analysis of the causes of the 1975 fiscal crisis:

Between 1960 and the end of fiscal 1975 . . . , New York became adept at tapping both local and intergovernmental sources of revenue. It taxed what seemed like every conceivable revenue base, and it took advantage of every applicable federal and state program. The largest part of this financing effort was in the form of intergovernmental aid. From 1960 to 1975, local revenues increased by 306 percent,

state aid by 696 percent, and federal aid by 2,282 percent. . . . Although all localities began to make more use of federal and state financing during this period, New York received close to three times as much money per capita as the average for local governments in the seventy-four Standard Metropolitan Statistical Areas.⁹⁰

By the mid-1970s, however, there was a sudden reversal, as commitments made earlier began to lapse. The administration in Washington under Nixon had little interest in continuing Johnson's "war" on poverty. Although federal aid to cities was not cut off, it was scaled down and directed toward more specific capital projects. Money coming to the city from the state government, although it increased somewhat, was insufficient to make up the shortfall when federal moneys were cut back. This was the immediate precipitating factor in the fiscal crisis that hit the city in 1975, a crisis intensified by the global *and* local economic contractions that reduced locally raised taxes at the same time that the number of poor residents needing assistance increased. The latter's political power was insufficient to pressure for continued levels of support in the face of financial retrenchments and racial and ethnic differences.

Fiscal Subsidies in the Wrong Direction

The fiscal situation, however, is even more inequitable when one takes into account the structures of federal taxation and redistribution. New York State contributes far more, proportionately, to the federal budget than it receives back, resulting in something described recently as an "imbalance sheet." New York, New Jersey, and Connecticut are among the top ten states that contribute far more per capita to the federal government than they receive back in payments. (Significantly, the midwestern states of Michigan, Minnesota, Illinois, and Wisconsin are also among the top ten.) In contrast, "net surplus" states are all in the South or the Rockies.⁹¹ The possibility that such discrepancies will increase when welfare program subsidies are decentralized through block grants is worrisome to political officials of the city and state, because New York State is among those with the highest payments and the lowest ceiling (below the poverty line) for eligibility.⁹² It is also the only state where welfare responsibilities are mandated by the state constitution.

Although fiscal imbalances and welfare expenditures are not issues that affect only minority residents, given the associations among poverty, needs, and ethnic and racial groups, one would imagine that there might be a disproportionate political interest that ought to be reflected in struggles for local political power. Although the political system in New York City is more open to such representation than are the systems in Chicago or Los Angeles, there remain significant problems.

THE POLITICS OF MINORITY EMPOWERMENT

New York City elected its first (and as of 1999 only) black mayor, David Dinkins, in 1989. His election, however, did not signal any significant shift in the power system. First, Dinkins had risen to become the president of the borough of Manhattan

through normal channels of the Democratic Party. Second, his margin was very slim in a three-way contest with Democratic incumbent Ed Koch (who ran as an independent) and Republican candidate Rudolph Giuliani. And third, Dinkins, after serving only one undistinguished term, was defeated for reelection in 1993 by Giuliani. This belated and brief capture of the mayoralty was long overdue. In 1983 Chicago had elected its first black mayor, Harold Washington, and reelected him four years later. Only after his untimely death in 1987 did the "white" democratic establishment in Chicago begin to recapture the office of mayor through the son of its longtime machine boss, Richard Daley (who was elected with only 10 percent of the "black vote"). The mayor of Los Angeles from 1973 to 1993 was Tom Bradley, a black former football star and police chief, whose elevation to power had been supported by a coalition of "Westside (heavily Jewish) liberals" and minorities.⁹³ Only the white backlash from the South-Central riots propelled the political novice Republican businessman Richard Riordan to the office of mayor in that city.

It is logical to ask why, given the more liberal stance of New Yorkers, black politicians have been so underrepresented in city government.⁹⁴ Shefter, in trying to account for the fact that in 1985 the black candidate running against Koch in the Democratic primary had garnered only 13 percent of the vote, suggests that low voter turnout among minorities and a fragmentation of interests among them, split largely along black versus Hispanic lines, were largely responsible for the poor showing of the black candidate,⁹⁵ to which might be added the often tense alliance between New York's native blacks and its black immigrants from Jamaica, who have provided a disproportionate share of successful elected officials.⁹⁶ But an alternative explanation is also possible. The urgency to achieve formal power may have been moderated to some extent by the fact that white mayors of either party were not necessarily viewed as antiblack or antipoor (although, in his later years in office, Koch appeared to be). Indeed, it had been during the administrations of Wagner and Lindsay that the most visible expansions in New York's "welfare state" occurred, and when black neighborhoods in other cities were exploding in the aftermath of the assassination of Martin Luther King Jr., Mayor Lindsay walked unguarded into black areas of New York to reassure his constituents of his sympathy.

Here again the contrast with Chicago needs to be reinterpreted. Up to his death in 1976, Mayor Richard Daley ruled a strong white-dominated Democratic machine in both city (Chicago) and county (Cook). The alliance he put together—between "white ethnics" interested in preserving their own neighborhoods and downtown businessmen who supported a strong "growth machine" to preserve the Loop's vitality—could perhaps afford to ignore the demands of the black community. This began to unravel only after Daley's death. A brief interregnum ensued when a coalition of blacks and Hispanics succeeded in electing former congressman Harold Washington as mayor.⁹⁷ But as we shall see, after his untimely death, control eventually returned to the Daley family. Instead of asking why African Americans failed to achieve power in New York, we must really ask why Chicago's far larger black population has been unable to wrest control from the "white establishment," and why Chicago's poor have been so neglected. We turn to these questions

in Chapter 11. The different political constellation in Los Angeles will be taken up in Chapter 12.

REEVALUATING THE EXTENT TO WHICH GLOBALIZATION
"EXPLAINS" NEW YORK

It is clear that changes in the global economy have been partially responsible for the deindustrialization of the New York region. It is also true that the recent increase in economic "globalization" (especially in the areas of media, finance, producer services, and international tourism) and foreign immigration has served to shore up the city's vitality. However, it must be remembered that trends in manufacturing decline long preceded the current pattern of restructuring, and that New York's dependence upon global functions (and immigrants as a source of demographic growth) had similarly preceded recent expansions in the scale and scope of the international economy. Globalization has enhanced New York's role as "the capital of capitalism," but it must also be recognized that it has made the city more vulnerable to forces originating in the world economy.

However, global forces interact in New York, as elsewhere, with many far more national and local conditions. In the last analysis, both its political handicap of a fragmented region and its political culture of adaptability to change will determine what responses the region can make to powerful tectonic shifts in the world beyond.