

Racism and “Urban Apartheid”. What Drives Gentrification?

By [Socialist Project](#)

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The gentrification of a neighborhood often produces conflicting impressions on residents and non-residents. On the one hand, the area seems safer than in the past, houses are increasingly renovated, and new cultural and commercial resources are established. On the other hand, long-standing residents leave and appear to be replaced by higher-income people, usually white. Edward, a longtime resident of Brooklyn, [commented on the changes](#) in his Crown Heights neighborhood in an interview at *Narratively*:



A decaying industrial building about to be turned into luxury housing in Brooklyn (Bee Collins).

“I’ve lived here 37 years, and now I start to see white people moving in. And I’m telling you the truth now, I start to feel like... ‘But why are all these people moving in?’ And I think to myself, ‘Ah shit!’ The changes around here – the police start to change; all this other shit, all these bicycle things.”

Gentrification is the result of capitalism, a system characterized by the relentless pursuit of profit. In this article, I will examine what appear to be two contradictory outcomes of gentrification: the “improvement” of a neighborhood on the one hand and the displacement of its long-time residents on the other. My intention is to provide an objective analysis from the perspective of those who make this city run – that is, the working-class of New York and of all other cities undergoing gentrification.

Misconceptions

First, let’s clear up a few misconceptions. For one, the driving force behind gentrification isn’t the appearance of “hipsters,” as seems to be assumed by many people, [such as this blogger at DieHipster.com](#):

“You clueless wannabe urban fucks aren’t fooling any of us real New Yorkers. You’ve accomplished nothing over the last decade, but displaced hardworking families, old-time residents and newly arrived immigrants... Rents have doubled and tripled because of your desire to be some kind of urban pioneer.”

This blogger's resentment toward a group of people who are used to crack open a neighborhood for so-called "urban renewal" is prevalent and understandable. Likewise, geographer David Levy explains gentrification as flowing from the consumer preferences of a new, youthful, white-collar middle class that wishes to change from a suburban to an urban lifestyle.

It seems unlikely, however, that the group's actions alone can cause such an overwhelming and synchronous transformation of urban communities across the world. Moreover, it seems less likely that we can challenge gentrification by convincing hipsters to move elsewhere.

Levy's "consumption-side" theory fails to identify the larger economic and political forces that nourish gentrification, and it cannot explain why certain neighborhoods are targeted for gentrification.

The late geographer Neil Smith counterposes Levy's theory with a class perspective. [He writes:](#)

"By contrast, the owners of capital intent on gentrifying and developing a neighborhood have a lot more 'consumer choice' about which neighborhoods they want to devour, and the kind of housing and other facilities they produce for the rest of us to consume."

Smith's point helps illustrate that the roots of gentrification lie much deeper than in the lifestyle of hipsters – they arise from the very fact that the economy is profit-driven. The things we consume are produced under the control of, and ultimately in the interests of, a minority of the population – the capitalist class. Any rational considerations, such as human well-being or climate change, aren't priorities.

Once profit is made, it must be reinvested quickly to make even more profit, and so on. The accumulation of capital is therefore limitless and has no boundaries. Out of this limitless potential for the accumulation of capital arises competition between capitalists, in which the ones who accumulate the least perish from the market. Therefore, anything and everything becomes a commodity and is milked for profit – including land and housing.

In an article he co-authored with Michelle LeFaivre called "[A Class Analysis of Gentrification](#)," Smith explains after the Second World War, there was a mass movement of capital to the suburbs, where in contrast to the city, land was cheaper, little development existed, and larger sums of profit could be extracted. Once capital left the city, many urban communities deteriorated. As they deteriorated, the value of properties decreased, and the capital needed to maintain them yielded fewer and fewer returns – and so the urban infrastructure was left for dead.

In the past few decades, however, as the suburbs developed, there was less room to invest small and gain big. Thus, capital made its return to urban life. After decades of consigning them to poverty and despair, capital re-enters starved urban communities only when it has become most profitable to do so. When there's a wide enough gap between the current rent in an area and the potential rent that can be made if it were to undergo reinvestment, a project for gentrification is born. This "rent gap" is the mechanism underlying gentrification.

Who Benefits?

It's undeniable that gentrification brings with it some improvements in neighborhoods. Indeed, it must do so – in order to attract the consumers it targets and make a good return for investors. It must be asked, however, who benefits from the improvements?

As Karl Marx wrote in [*Capital*](#) almost 150 years ago:

“‘Improvements’ of towns, accompanying the increase of wealth, by the demolition of badly built quarters, the erection of palaces for banks, warehouses, etc., the widening of streets for business traffic, for the carriages of luxury, and for the introduction of tramways, etc., drive away the poor into even worse and more crowded hiding places.”

In these past few decades, while urban neighborhoods were struggling for survival, capital was circling the sky above, like a vulture, watching and waiting for the right time to strike. Long-standing residents, who came to these decaying neighborhoods when they were cheap enough to get by on a low wage, become an obstacle for the capitalist gentrifiers. Their displacement becomes a precondition for the total transformation of the neighborhood.

Only the new, higher-income residents can afford the new features of the neighborhood, from new or rehabbed housing to small businesses catering to the incoming population.

The existing small business owners sell the stores that low-income residents relied on, only to be replaced by ones that sell more expensive products. Alternatively, they change their inventories to meet the demands of the new wave of wealthier residents. As the gentrification process progresses, it becomes increasingly less affordable to live in the neighborhood, and community members become economically displaced.

But there are some residents who stay in the neighborhoods in which they grew up and raised their families, and resist being pushed out. The gentrifiers then take a more direct approach. Realty agencies like MySpace NYC in Crown Heights have been accused of bribing families with what appears to be a large sum of cash to move out of their apartments, so that they can be rented out at a much higher cost. If residents continue to resist, management companies have been known to withhold necessary maintenance in order to make conditions unlivable and drive out tenants.

A third approach taken by the gentrifiers, and perhaps even more intimidating, involves the city government. The increased police presence in these neighborhoods – who, as everywhere else in the city, disproportionately harass and abuse people of color and the poor – is a very visible example of the state's participation in gentrification.

For example, police are typically distributed on major avenues in Crown Heights at all hours of the day. Their presence speaks volumes – it says,

“We are here to protect the investment of the developers, of capital. So behave, Black and Brown people, because we'll harass and stop-and-frisk you. Or better yet – just leave.”

In this regard, gentrification serves the New Jim Crow – the system of discrimination in an

apparently “color-blind” society that author Michelle Alexander explains. Residents of targeted neighborhoods become more likely to fall into the hands of the police and the criminal justice system. Thus, the claim that gentrification produces a “safer” neighborhood must be re-examined – for many Black and Brown people, particularly male youth, life becomes even less safe than it was before.

To Serve and Protect... Capital

It's important to illuminate the other various ways in which the state serves capital's interest in gentrifying the city. Consider [this comment late last year](#) by former New York City Mayor Michael Bloomberg:

“Somebody said that there's not enough housing. That's a good sign... It doesn't mean it isn't a problem, but there are no vacancies. That will bring in investment, for people to build for all income levels, different kinds of housing.”

Bloomberg speaks like the true billionaire capitalist he is. To him, success is measured not by how well people are accommodated, but how much profit can be made. But he's ideologically blinded to the fundamental failing of the free market. The crying need for housing won't “bring in investment” for home construction “for all income levels” – there won't be any investment at all in home construction for low-income people if developers don't think it will be profitable.

New York City's support for gentrification has gone beyond ideological, of course. As a recent [SocialistWorker.org article elaborates](#):

“The city [of New York] gives away more than \$250-million a year in tax abatements for residential construction, much of it for luxury housing. Other development deals drain billions more from the city treasury – with close to \$2-billion going to major league sports franchises alone. The city's development policies effectively subsidize gentrification, with taxes paid by all New Yorkers, many of whom are thereby priced out of their own neighborhoods.”

Furthermore, the state serves the gentrifiers by cutting public services, keeping the minimum wage a non-living wage, taxing working people disproportionately compared to the millionaires and billionaires, and throwing billions of dollars to corporations and the banks. In short, austerity policies create the conditions for gentrification.

Based on this, we can conclude that the displacement of working-class people, overwhelming Black and Latino, from their homes in urban neighborhoods is connected to the displacement of working people from other aspects of the economy – employment, government services and so on.

Black and Latino Workers

The impact on Blacks and Latinos is particularly clear. [According to the Department of Labor](#), “Black workers are more likely to be employed in the public sector,” and “nearly 20 per cent of employed Blacks worked for state, local or federal government.” Thus, [as the Economic Policy Institute writes](#), “[b]ecause women and African Americans have historically been overrepresented in public-sector employment, they have been disproportionately

affected by state and local government budget cuts.”

Black workers in the public sector are losing some of the best jobs available to them, where they earn, on average, [25 per cent more than other Black workers](#). Indeed, the public sector has been the largest job-bleeder throughout the Great Recession. And many of those thrown out of employment swell the ranks of the fastest-growing and – not coincidentally – lowest-paying industries, including fast food and retail.

[The current widespread resistance of fast-food workers](#), with their demand for a minimum wage of \$15 an hour, is one excellent example of where the struggle against gentrification can be fought. Many of these workers are long-standing residents of gentrifying neighborhoods, and their victory would improve standards of living and make their communities more affordable. Therefore, their struggle should be enthusiastically supported and strengthened.

But such changes alone won’t stop gentrification everywhere, once and for all. The dispossession of people from where they live is a continuous feature of capitalism – and even paved the way for its birth. Thus, [Marx explained how common spaces in England were privatized](#) and peasants expelled from their land in order for the capitalist mode of production to come into being. The Native peoples of what is now called the United States were also continuously expelled from their lands and crowded into more barren, under-resourced territories. And the list goes on.

It is clear that dispossession is an outcome of, and a precondition for, the continuous accumulation of capital. Only through the mass action and self-organization of the working-class and its allies – armed with demands like a living wage, union jobs and rent control – can we begin to mount an effective, powerful campaign against gentrification. •

Ronnie Flores writes for [Socialist Worker](#), where this article first appeared

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