STRUCTURE AND AGENCY IN THE HISTORY OF SUBURBANIZATION

Growth beyond city borders was a common feature of industrialized societies as early as the nineteenth century. In fact, the desire to live outside the city despite commuting there for work seems to be as old as the city itself. Although we can point to numerous writers who extol the virtues of city living, there has always been an expressed "anti-urban" bias in every urbanized civilization. The historian Kenneth Jackson offers the following excerpt from a letter written over 2,500 years ago as evidence that suburbanization was a process coextensive with urbanization itself:

> Our property seems to me the most beautiful in the world. It is so close to Babylon that we enjoy all the advantages of the city, and yet when we come home we are away from all the noise and dirt. (1985:12)

But the presence of a yearning for the country among city dwellers or some anti-urban bias cannot explain the immense scale of suburbanization that is characteristic of the United States. Explaining suburbanization based on the preferences of social actors is an agent-side view of this process. By "agent-side" we mean the production of a settlement space pattern through the desires of consumers and businesspeople acting in the marketplace. Agent-side theories of urbanization make the assumption that settlement patterns are the result of a large number of individuals interacting competitively in the market to satisfy desires. Often, it is claimed, they are aided by innovations in transportation technology. Many geographers, such as John Borchert (1967) who rephrases the approach of Roderick McKenzie, and urban sociologists, such as Amos Hawley (1981), promote this technologically reductive approach as an explanation for urban spatial patterns.

To an extent, the agent-side view helps us understand aspects of suburbanization, especially the desire of US residents for a home of their own which is part of the American Dream. Homeownership is a potent cultural symbol in our society. It provides people with their most important social status. Owning a home also links with other aspects of consumerism that express basic values in US culture (Veblen, 1899). Homeownership is also the most important form of wealth for the members of the unionized working class and the members of the lower middle class.

There is also, however, a "structural-side" view to urban patterns. In this approach, what counts in development is less the desires of individuals than the quests of special interests, especially networks of capitalist investors aided by allies in government that promote development to acquire profits. Feagin sums up the structural-side view:

> Traditionally most urban analysts and scholars have argued that everybody makes cities and that first and foremost the choices and decisions by large groups of consumers demanding housing and buildings lead to the distinctive ways cities are built. But this is not accurate. Ordinary people often play "second fiddle." In the first instance, capitalist developers, bankers, industrial executives, and their business and political allies build cities, although they often run into conflict with rank-and-file urbanites over their actions. Cities under capitalism are structured and built to maximize the profits of real estate capitalists and industrial corporations, not necessarily to provide decent and livable environments for all urban residents. (1983:8)

The history of suburbanization in the United States is a protracted story of bold quests to acquire wealth through the development of fringe area land and individual or group pursuits of a residential vision that would solve the problems of city living. In other words, an account of this phenomenon must consider agent-side and structural-side factors as intertwined.

In the early 1800s, for example, industrialists who had recently acquired fortunes, such as Leland Stanford in railroads, Andrew Carnegie in steel, and James B. Duke in tobacco (the so-called *nouveaux riches*), sought symbols of their new-found wealth. One practice was to purchase a palatial home with substantial space for manicured lawns and at some distance from the city. According to Thorstein Veblen (1899), who introduced the term *conspicuous consumption*, space in these suburban homes was used as a symbol of "excess" and the ability to afford it. The fronts of houses were given over to large, manicured lawns labored over by a team of hired gardeners; lawns that were used for nothing except the growing of grass. The mansions themselves had many more rooms than were needed to house family and servants. Guests could always be accommodated on the spot with their own individual bedroom. Space was simply held vacant awaiting a visitor. The backyards were devoted to "suburban" leisure—genteel games such as croquet or badminton, lazing in lawn chairs, or simply walking in the garden. Conspicuous consumption, pastoral delights, and the large, single-family house with generous living space became for many Americans the suburban ideal. This cultural value glorifying a particular space fed the economic aspects of demand for homeownership outside the city that were, in part, the use of space as a form of cultural expression as well as economic status.

As mentioned above, structural-side explanations for suburbanization often stress the importance of transportation technology as its cause (Hawley, 1981; Jackson, 1985; Muller, 1981), with each innovation, such as the switch from commuter rail to automobile, signaling a new pattern of land use. Transportation modes, however, were not the cause of suburbanization. Transportation served only as the *means* for residential suburban development, and was always used to further real estate developer schemes. The agent-side view demonstrates that the desire for the suburban lifestyle may have been active in the minds of urbanites because people emulated the rich and disliked the confines of the large city. But dreams alone did not produce concrete spatial patterns. Rather, suburbanization was generated by the structural-side activities of real estate entrepreneurs and government subsidies responding to and feeding agent-side desires. This neglected aspect of capitalist development is a more accurate way of explaining changes in urban spatial patterns, as the sociospatial approach asserts.

REAL ESTATE AND STATE SUBSIDIES

Early suburban development leapfrogged over the urban landscape. Suburban housing was built as a separate town removed by several miles from city boundaries. In the late 1800s, Westchester and Tuxedo Park outside New York City, Lake Forest and Riverside outside Chicago, Hillsborough adjacent to San Francisco, Palos Verdes near Los Angeles, Shaker Heights eight miles from Cleveland, and Roland Park outside Baltimore were all private developments built as towns. Most of these places advertised themselves as extolling suburban virtues, which at the time meant racial, ethnic, and class exclusion in addition to low-density residential living. It was not until the late 1940s that suburban development occurred on a mass scale. Hence, the desire for racial, class, and religious exclusion also added to the complex of cultural factors contributing to the desire to suburbanize.

But suburbanization in the United States was not just about developing housing. The early deconcentration of industry followed the same pattern. In the 1800s, owners of large businesses often moved all their operations outside the city by developing a separate town. The classic study of such "satellite cities" was done by Graham Taylor in 1915. Gary, Indiana, for example, was built on sand dunes at the base of Lake Michigan by US Steel in the 1880s. At about the same time, George Pullman moved his railroad car business out of Chicago and built Pullman, Illinois, a few miles away. In 1873 Singer Sewing Machine relocated from Manhattan to an existing city, Elizabeth, New Jersey, and by doing so converted it into a company town, where the factory remained until 1982, when it closed due to foreign competition. The same process is evident in the meat packing industry today with slaughterhouse operations moved out of Chicago, Kansas City, and South St. Paul to small towns in Kansas, Nebraska, Iowa, and South Dakota. It is also evident in the auto industry, especially by foreign-owned car manufacturers like Toyota that built auto plants in Indiana, Mississippi, Alabama, Texas, and West Virginia instead of Michigan in order to avoid unions.

Taylor (1915) gives two main explanations for the creation of satellite cities, which echo aspects of our sociospatial perspective. First, the new ventures

represented an important investment in real estate as well as an industrial relocation. More space was needed for industrialized plants, hence the need to move out of the congested central city. Further, assembly lines were more efficient in low rise structures in contrast to the vertical factories in city centers, and land was cheaper on the urban periphery than in the city. But the need for space was coupled with the acquisition of real estate. Pullman, for example, expected to make as much money from the development of land he owned in the new city as from the factory itself. Second, industrialists pulled their plants out of inner cities because the latter were hotbeds of union activity. Workers in any one plant were invariably in contact with workers in other plants and other industries. The city concentrated unions as well as people. During the sequential recessions in the United States, beginning with the 1870s, strikes and worker activism were especially frequent. The decentralization of industry was an important tool for minimizing union influence.

Technology

To be sure, transportation technology eventually played a profound role in suburbanization. After the 1920s, the movement of people to the suburbs was aided greatly by the mass production and consumption of the automobile. Prior to that time, regional metropolitan space was organized in a star-shaped form with the greatest development situated along the fingers of rail corridors. The private automobile enabled developers to work laterally and fill in the spaces between the mainline tracks. In the 1920s, 23 million cars were registered in the United States, and that figure increased to 33 million ten years later. "By 1940, the US auto registration rate exceeded 200 per 1000 population and the average number of cars per capita (which was 13 in 1920) had fallen to less than 5" (Muller, 1981:39).

Turn-of-the-century suburbanization played a great role in determining the patterns of growth that followed during the years between 1920 and 1960. The trolley lines and tract housing laid down in the previous period provided the material infrastructure, such as right-of-ways, sewers, and utility lines, for much of the suburban growth that was to follow. It is often suggested, for example, that Los Angeles looks the way it does—spread out in a pattern of immense sprawl—because it was built during the age of the automobile. Actually, the formative period of development for Los Angeles took place prior to the invention of the auto. Los Angeles was a product of electrified trolley lines and very active, aggressive real estate speculation schemes that capitalized on the ease of home construction in the region (Crump, 1962). Today's freeways in Los Angeles simply follow the transit routes of the major trolley lines that once existed. The fact that the latter were pollution free should not be lost on the present generation suffering from smog, nor should we forget Spencer Crump's (1962) case study showing how automobile, oil, and highway construction companies colluded to sabotage the trolley car transit business.

Government Programs and Federal Housing Stimulus

The major thrust of suburbanization in the United States took place after 1920, with a profound acceleration of growth after World War II. Truly it can be said that present-day regional patterns of metropolitan development materialized during this time. Prior to the 1920s, a suburban residence could be afforded only by the more affluent. It was affordable to the growing white middle class only in the late 1940s, when suburbanization became a mass phenomenon. So far in this chapter we have mentioned several structural-side factors contributing to decentralization. On the agent-side, we have indicated the profound cultural effect that the style of life associated with affluent suburbia had on the tastes of urban individuals and families. While many Americans may have desired to leave the city, few had the means prior to World War II, especially because of the Great Depression. Here federal government intervention became crucial in creating a mass housing market because its policies promoted single-family homes, as the socio-spatial approach suggests.

In the 1930s, the Depression ravaged the home construction industry. Because a principal asset of banks was (and still is) home mortgages, this economic downslide also had a devastating impact on the banking industry. In one estimate, housing values declined by 20% between 1926 and 1932; by 1933 at least half of all home mortgages were in default (Jackson, 1985:191). The Great Depression altered the nature of US capitalism during this time because the federal government changed from an indirect participant in the economy to a direct subsidizer of business. In the 1930s, Washington, DC, attempted a rescue of the housing industry as a means of saving the banks.

In 1934 Congress passed the National Housing Act, which established the Federal Housing Authority (FHA). Briefly put, for qualified houses, the federal government insured buyers' mortgages up to 90% of their value with up to thirty years to pay them off. For banks, this took the risk out of private loans. Prior to this act, a prospective homeowner had to put down 50% of the value with ten years to pay it off, an elite privilege. To this day, the almost eighty-year-old act made home loans more affordable in the US than almost all other countries, such as Canada, which still requires quicker payment of mortgages and greater money up front. Federal housing acts also pumped needed capital directly into the housing industry businesses, including construction companies and banks. Foreclosures went from 250,000 in 1932 to 18,000 by 1951 (Jackson, 1985:203). ... established the Federal National Mortgage Association

(Fannie Mae), which facilitated the transfer of funds by banks across geographical and political boundaries in the United States. The Fannie Mae program and later Ginnie Mae (Government National Mortgage Association) helped restructure the banking community after the depression and subsidized mortgage lending on a mass scale.

Subsequent housing acts were passed in 1937 and 1941. Along with earlier initiatives, they established the homeowner's tax subsidy. Homeowners could now deduct the interest paid on mortgages from their taxes. This subsidy quite literally made it cheaper to own a home than to rent. Along with this tax subsidy, the Servicemen's Readjustment Act of 1944 had the most direct effect on housing. As the war was ending, Congress pledged to support returning servicemen with a package of welfare measures including subsidized education. One provision of this act established the Veterans Administration (VA) guaranteed loan program. Under the plan, GIs could purchase homes with no money down. The mass exodus to suburbia was now guaranteed.

So we see that government programs primed the mass demand for housing. Most new construction took place in the suburbs. More than 16 million returning servicemen were eligible for benefits under the 1944 act, and a mass market was created. At this time, and due expressly to the war effort, the United States had perfected mass-production assembly-line techniques that could manufacture vast quantities of goods. All types of consumer durables, including cars, washing machines, vacuum cleaners, toasters, dishwashers, refrigerators, and air conditioners, were being produced on an immense scale after the 1940s. Suburban housing developments featured the new goods, and in the 1950s all aspects of mass production—housing, consumer durables, automobiles—combined to create the characteristic view of suburbia as the epitome of the consumer society. This political, economic, and cultural conjuncture that led to a society *domestically* producing and consuming mass quantities of goods with a large population engaged in assembly-line factory work and active union membership is called *Fordism*, and it is a characteristic of monopoly capitalism. That is, under the Fordist capitalist regime, domestic mass production of goods was matched by union/corporate wage accommodations so that mass domestic consumption of these same goods was the result. Fordism guaranteed both regular profits and wages.

Racism and Suburbanization

The beneficiaries of suburbanization were overwhelmingly white people. From 1940 to 1960 the majority of the white child-rearing middle class either moved directly to the suburbs or left the central cities for suburban developments. This population transfer of whites is sometimes referred to as "white flight" because, as we have noted in the last chapter, it also overlaps with the massive movement of

African Americans to cities outside the south. Experts on the topic indicate that it is largely a product of the pull factors identified earlier (Frey, 1979). That is, whites did not leave large cities because blacks were moving in or the quality of life was declining; rather, they left because the quality of life was much better in the suburbs, especially if they were planning to have or had families, and because government programs subsidized them. Racial factors, according to the demographer William Frey (1979), affected less the decision to move than the destination of choice. In other words, whites preferred to move to exclusively white areas in the suburbs.

Racism played a more overt role in preventing African Americans from moving to the suburbs. Real estate agents blocked black people from buying homes in white areas and banks often denied them mortgages. The results were a dramatic increase in segregation for cities and a concentration of white people in the suburbs beyond national population proportions. Blacks who did suburbanize could find housing only in other black areas outside the city. Suburban developers strictly enforced this color barrier. Box 5.1, which contains a case study of Levittown in Long Island, New York, illustrates both the mass phenomenon of suburbanization after World War II and the racial exclusion on which it was based.

Box 5.1

Profile of 1950s Levittown, Long Island

Prior to the 1940s, most homes were custom built or were renovated farmhouses, and most of this suburban housing remained relatively expensive (Gottdiener, 1977). After the war, voracious demand supported by federal government programs made it possible to build housing in large quantities, but construction techniques had not quite been perfected to build single-family homes that were affordable. Abraham Levitt and Sons was one of the nation's largest builders in the 1940s. Work on many military construction projects had given the company the experience necessary to build inexpensive housing on a mass basis. Levitt built the first large-scale, affordable suburban housing development on several thousand acres of converted potato farms in the town of Hempstead on Long Island, adjacent to New York City:

> After bulldozing the land and removing the trees, trucks carefully dropped off building materials at precise 60-foot intervals. Each house was built on a concrete slab (no cellar); the floors were of asphalt and the walls of composition rock-board. ... The construction process itself was divided into 27 distinct steps. ... Crews were trained to do one job—one day the white-paint men,

continues

continued

> then the red-paint men, then the tile layers. Every possible part, and especially the most difficult ones, was preassembled in central shops, whereas most builders did it on site. Thus, the Levitts reduced the skilled component to 20–40 percent. ... More than thirty houses went up each day at the peak of production. (Jackson, 1985:234)

Levitt was not sure that government subsidies and the GI bill would prove effective in supporting homeownership on a mass basis, so the first houses were offered only for rent in 1947. Soon after, in 1949 and in response to overwhelming demand, they were sold outright. The two-bedroom Cape Cod boxes initially cost $6,990. The community, now called Levittown, eventually numbered over 17,000 houses and contained more than 80,000 residents. Levitt's organization feared that if they let in blacks, they would run the risk of failing to sell their homes to the white majority. Consequently the developer carefully screened prospective customers for race. Hence, the blue-collar community, which became a symbol for the post-war American Dream, was not integrated.

Unlike large-scale developments of today (as we will discuss in the next chapter), early suburban projects were marketed with a full complement of community amenities. Builders were obligated to supply a community quality of life, not just housing. Levittown came with nine swimming pools, sixty playgrounds, ten baseball diamonds, and seven "village greens," or mini-mall centers, within the development (Jackson, 1985).

During the next few years, Levitt and Sons built communities in Pennsylvania and New Jersey. The modular construction process it innovated was duplicated by builders all over the United States, and the mass construction of suburbia began.

DEINDUSTRIALIZATION AND GLOBALIZATION: PROCESSES THAT HAVE CHANGED BOTH CITIES AND SUBURBS SINCE THE 1960s

Beginning with the 1960s, forces other than suburbanization emerged to change both cities and suburbs. These added to the phenomenon of deconcentration as the economy evolved from monopoly to global capitalism. On the one hand, the United States began to lose jobs to locations outside the country as labor outsourcing led corporations to set up shop in countries where wages were considerably lower and workers were considerably more docile than in America. This process is known as *deindustrialization*, and it has led over the decades to a massive decline in manufacturing within the United States. On the other hand, national corporations were bought out or went into partnership with giant multinational companies affecting the behavior of industries and banks that no longer saw America as their natural home. These and other factors produced the new stage of global capitalism. When, prior to the present phase of political-economy, people worked and shopped in American-owned businesses, now they most often do not realize that the bank, supermarket, factory, or big box store where they spend their money may be owned by a transnational corporation with headquarters in another country. In short, the change from a monopoly capitalism which produced a national system of central cities dominated by homegrown corporations prior to the 1940s, to global capitalism anchored by transnational corporations that sought to use labor forces in any country where wages were comparatively low after the 1960s, also resulted in a transformation of the urban spatial landscape, as our sociospatial approach asserts.

In the 1950s, the typical city was an industrial city. Factories filled the air with the smoke of manufacturing activity. Workers in plants lived nearby in so-called blue-collar neighborhoods. Although predominantly white, this population was made up of many ethnic groups—Italian, Irish, Jewish, Polish, Hungarian, German, and Scandinavian. Everyday life was circumscribed by the factory routine for both women and men. A coordinated exodus of workers from their homes converged on the plants in the morning, while children ran off to neighborhood schools at about the same time. Schools provided vocational training for most boys and homemaker or secretarial skills for girls as a means of fitting them into a working-class world with limited aspirations that few thought would ever change. Several generations of working-class families grew to maturity within this milieu.

By the 1980s, this pattern of everyday life under the previous Fordist societal regime had transformed. Cities no longer were dominated by manufacturing, and working-class family life based on predictable employment opportunities in manufacturing had largely disappeared, producing attendant changes and crises in education and job training. The city of Pittsburgh, for example, was once synonymous with steel. In 1930, over 32% of its workforce was engaged in manufacturing. By 1980, only 14% of the labor force was employed in manufacturing, and steel production engaged only 5.5%. In contrast, service employment had risen to 38%, thereby dominating the economy (Jezierski, 1988). Pittsburgh had been transformed from an industrial to a nodal service city. In the process, however, it lost 24% of its jobs and 37% of its population between 1940 and 1980. Between 1980 and 1990, it lost an additional 12.8% of its people. Industrial cities have shifted from an economy dominated by manufacturing to one that now specializes in services and retailing, but with a smaller employed labor force and, in many cases, a smaller population than in the past (Frey and Speare, 1988:4).

In 1950 the proportion of total employment for manufacturing was 26%, with the next largest sector, retailing and construction, accounting for 22.6%. By the 1980s, the latter proportion was virtually unchanged, but total employment in manufacturing dropped to 22%. The share of manufacturing in the economy dropped from 21% in 1980 to 18% in 1990 to 16% in 2000 to 8.7% in 2015 (Federal Reserve Bank of St. Louis, 2017). The largest proportion of workers, or 24%, was employed in so-called nodal services: transportation, finance, wholesaling, business repair, insurance, and real estate. Central cities across the country shifted in thirty years from an economy dominated by manufacturing to one that specialized in services (Frey and Speare, 1988). For the largest urban locations, such as New York and Chicago, there is considerable evidence that the sector of capital involved in national and global processes of financial investing has taken over the downtown (Gottdiener, 1985; Sassen, 1991). Employment in the sector of finance capital alone has increased dramatically for the categories of investing services, management consulting, legal services, and accounting. In other words, the historical inner city, long a multifunctional space that concentrated manufacturing, people, political power, and cultural importance, has given way to a more specialized place dominated by finance capital activities, such as banking and legal services, that in most cities is relatively empty at night, except for specific areas that function as entertainment districts.

Population Deconcentration

Since 1970, population growth has been greater for metropolitan areas outside city centers rather than inside them, which reverses the traditional urbanization process of population concentration. This process is known as *population deconcentration*. Commenting on the 1980 census when the trend was first recognized, a demographer noted, "For the first time in well over 100 years, there was virtually no major nationwide population trend in the direction of concentration" (Long, 1981:11). For a brief period in the 1970s, even small incorporated cities lying outside the major metropolitan centers grew faster than the large cities, although by the 1980s that rapid growth had already subsided. But movement to exurban areas and small cities has resumed in the 1990s.

Other demographers are just as astounded by the changes of the last several decades. According to Frey and Speare (1988), most of the trends prior to the 1960s that characterized the US population were altered and, in some cases, reversed during the last twenty years. First, there has always been a progressive drift of people from the east, midwest, and south to the west. After 1960 this shift accelerated, producing rapid growth in the west. The south also grew remarkably during this period with substantial numbers of African Americans returning to the south in the last decade. Second, after the 1970s the south gained more than the west, for the first time, in net population growth. By 1980, the Sun Belt region of the west and south together contained the majority of the nation's population—a historical shift indeed!

Third, in the past, previously existing large cities like New York or Chicago expanded faster than smaller ones. Since the 1970s this process has been reversed, with growth rates in smaller cities outstripping those of almost all larger ones. In 1970, for example, Phoenix was ranked eighteenth in the country with a population of just over 500,000. By 1994 it was ranked ninth, having grown by an incredible 60%, and by 2016 it ranked fifth, growing 11.7% between 2010 and 2016. Population growth in Texas has been astounding, Between 2010 and 2016, Houston, the fourth largest city in the country, saw its population increase by 9.8%, the population of Dallas increased by 10%, and San Antonio increased by 12.4%. In contrast, with the exception of New York, all large midwest and east coast cities lost population since 1970. In the most extreme case, Detroit lost a staggering 31.5% of its population. By the twenty-first century, the principal reasons why large cities were receiving people involved immigration from outside the country, both legal and illegal, and the movement of young adults, many with college educations, in the search for work.

If, in 1920, we could say with truth that the United States had become an urbanized nation, today we can say with equal confidence that the United States is dominated by regional suburbanization. Between 1960 and 1990, the United States went from a society dominated by large central cities in the Frost Belt to a nation with the bulk of its population living in the Sun Belt and in suburbia!

Globalization and Uneven Development

As we have already discussed, employment growth is now located principally in the service sector, especially in nodal services that were provided to corporations and banks—legal services, printing, business consulting, financial consulting, and related services in communication and transportation. Early observers of this trend toward specialization in nodal services suggested that they would provide the core industry for the economic revitalization of cities following the profound decline in manufacturing (Noyelle and Stanback, 1984; Sassen-Koob, 1984). It is now clear that no real renaissance has taken place, although some manufacturing has returned to the United States since global capitalism dominated change by taking advantage of cheaper labor costs and lower transportation costs for goods shipped back from developing countries. What has occurred instead is robust activity in advanced services that has benefited a relatively small and select group of trained professionals who earn high salaries while simultaneously leading to modest employment in lowpaying service and clerical jobs in activities that aid the work of the highly paid core. The so-called service city characteristic of the global

capitalism stage actually consists of two layers: 1) a core of nodal services forming the focus of internationally important economic growth that employs highly trained professionals; and 2) a second segment of relatively low-paid service workers who feed, entertain, or transport the former, or who clean the buildings and maintain the landscaped areas around them that contain the command-and-control industries or financial service businesses and the relatively affluent professionals they employ.

When discussing the effect of globalization on the new service profile of large central cities, Sassen (1994) predicted that this obvious kind of social polarization would result. The contrast between affluence and poverty, between "yuppie" professionals and the working poor including immigrant laborers, characterizes many cities today. This "dual city" has been the subject of some debate (Mollenkopf and Castells, 1991). By the time the 1990s rolled around, with immense wealth generated in global finance capital, cities like New York, London, and Tokyo possessed an extreme kind of income polarization with the ultra-rich, all connected to investment banking or stocks, and the minimum-wage working poor living and working side by side, and, while housing rents soared. The so-called "economic recovery" since the Great Recession of the early twenty-first century has done little to close this extreme social gap. Wage stagnation and job losses have made the conditions of most workers in the country much worse. By 2018, talk of a disappearing middle class has been backed up by statistics and reports, thereby proving the fears of intense income polarization and a rise of the elite 1% of affluent power holders. In addition, now the US also faces a statistically exposed decline in life expectancy for white people without a college education, especially white males, that has also become an issue due to the high suicide rate among that subpopulation alone.

Now, the very nature of work has also changed meaning. Immense numbers of the less affluent, immigrant, and marginalized workers have created a large *informal* economy within urban areas. The informal economy is defined as the combination of workers who are "off the books," goods produced in unregulated factories with nonunionized and undocumented laborers, goods and services produced and exchanged for barter (i.e., not cash but in kind), and goods and services sold without regulation on the streets. The informal economy in some countries often rivals the formal sector. Everywhere, this aspect of economic activity has emerged as an increasingly important way in which people within urban regions in the current stage of global capitalism make a livelihood. One example of the informal economy is the illegal drug industry, which runs into billions of dollars in sales and is an international operation. And in cities such as New York, illegal factories manufacture "faux" designer fashion items, such as fake Rolex watches and knock-off Gucci handbags, and then use recent or undocumented immigrants to sell them on Manhattan street corners for a fraction of the genuine article's price.

Even discounting the major effect of drug dealing, the informal economy in large cities represents a formidable source of jobs and income (Mingione, 1988). Although nine states and Washington, DC have legalized marijuana for recreational use and thirty states allow for limited use of medicinal marijuana, which will bring some of the informal economy out of the shadows and reduce imprisonment, other aspects of the informal economy such as sex work and its importation of sexual workers persists. The informal economy is usually not discussed, and its presence clashes with the image of large cities as centers for legitimate multinational business corporations (Boer, 1990).

We have barely begun to understand the changing nature of work in urban, inner city areas. Along with the informal economy, astronomical rents that, at times, also involve informal and illegal aspects of landlord activity, result from the supply of young adults sharing apartments because it is difficult to obtain full employment. There is a "gig economy" present in the settlement spaces of the US, both in cities and suburbs, where people work part-time without benefits or medical insurance. One large sector where this is the case can be observed within colleges and universities where part-time adjuncts with limited academic credentials teach the bulk of undergraduates. The gig economy also exists within municipal agencies that employ part-time workers, mainly due to the availability of the very same growing pool of young adult job seekers as well as the failure of government resources to fully fund services. Without employment benefits, a rapidly growing burden has been placed on the Federal government's tax supported health care system of Medicaid that also contributes to the increasing crisis of medical care in the US.

In sum, cities have changed remarkably since the 1960s. Due to deindustrialization and the dominance of transnational global corporations and banks, they have become more specialized and their population growth is second to the suburban and peripheral areas in the expanding MCMR. Today's large cities possess a transformed economy emphasizing nodal services and low-wage manufacturing, with a thriving informal economy of drug dealing and illegal factories that employ immigrants, an under-employed population of young adults and a gig economy of part-time work. Remember, official employment statistics may claim that only a small percentage of people are not working full-time. However, these statistics fail to count those people not registered for unemployment but working in the informal economy and/or those working in the part-time gig economy. Failure to understand these sectors, as well as the housing crisis in our large inner cities, is one of society's major problems. Our society is increasingly polarized because all of these economic and social processes resulting from the shift to global capitalism fuel a growing social disparity between the working poor, the underclass, new immigrants, street vendors and the under-employed, on the one hand, and affluent professionals on the other within the historical inner city.

HOW DEINDUSTRIALIZATION AND GLOBALIZATION AFFECTED SUBURBS

In the 1950s and 1960s, during the period of monopoly capitalism that was dominated by national corporations, suburbs were considered places where urban professionals who worked in the inner city bought homes to live in and raise a family. They were called "bedroom communities" for this reason (Jackson, 1985). We now know that this image merely represented an early view of such places. Since the 1960s, suburbs have matured (Schnore, 1963). In many ways they have become diverse culturally, economically, and politically, much like medium-size urban areas (Muller, 1981). Places such as Tysons Corner, Virginia, outside of Washington, DC, or Costa Mesa, California, beyond the boundaries of Los Angeles, and Dunwoody, Georgia, outside of Atlanta, are all important and mature suburbs with multifunctional economies. This change to suburban maturation and dominance in population and other city-like features is reflected in comprehensive statistics on economic activity. In many cases, the suburbs have been outpacing their adjacent central cities in economic importance since the 1970s. In the 1980s, for example, the suburbs outside Philadelphia contained 63% of the entire region's employment (including the central city itself), with 67% of all manufacturing jobs, 68% and 70% of all wholesaling and retailing, and over 50% of all regional employment in financial, insurance, and business service sectors (Muller, 1981:19).

In 1970, the US census noted for the first time that more people were living in suburbs than in other settlement spaces. At that time 37.1% of the population was suburban, compared with 31.5% that lived in the central city and 31.4% that lived in rural areas. By 1990 even more rural areas had been absorbed by suburban growth: 46% of the 1990 population lived in suburbia, 40% in central cities, and 14% in rural areas (US Bureau of the Census, 1990). In 2016, regional urbanization was most impressive with 19.3% of the population living in rural areas and 81% residing in multicentered metropolitan regions (city and suburbs together). While virtually all historical inner cities suffered from no or slow growth over the past four decades, suburban regions remain the most rapidly growing areas of the country, although the 2000 Census showed for the first time since 1940 modest population gains for some central cities due mainly to immigration from abroad. Thus, when academics talk about the growing urbanization of society by pointing to mega-urban areas, they often ignore picking apart this agglomeration of space and people to show how regional growth is multicentered and varied in economic, social, or landscape features. For this and other reasons we assert that the spatial correlate of global capitalism is the MCMR.

Suburban Social Characteristics

There is no typical suburb or unique suburban lifestyle. However, there is a typical suburban everyday life associated with single homeownership, automobile commutation, and low-density neighborhoods that differs from life in the central city. Through much of the post-war era, it was assumed that people who lived in the suburbs would commute to the downtown areas to work and even to shop. In the 1960s and 1970s, ecologists studied the employment-to-residence ratio, which compared the number of jobs within a suburban community with the number of persons in the labor force. Leo Schnore (1963) was able to categorize suburban communities as bedroom suburbs (perhaps the stereotypical suburb of the era), service suburbs, mixed residential suburbs, and suburbs with more employment than residents using this measure. But over the last two decades, the employment patterns of suburban residents have changed greatly. The majority of people who live in the suburbs are now employed at jobs within the suburban region, not in the historical inner city. The commute from the suburb to a downtown office has been replaced by the commute to a job in a suburban office complex—or manufacturing plant or shopping mall. While there are important differences among different types of suburban communities, most now represent the mixed residential/employment suburb.

In the main, lower-income as well as more affluent whites have found places to live in the suburban region. African Americans, however, have found it difficult to suburbanize. They represent around 10% of the total suburban population despite being 12.3% of the general population. More importantly, the suburbs are just as racially segregated as cities. Black people are *over*represented in the central city and *under*represented in the suburbs relative to their total population. Typically, African Americans suburbanize by moving to areas outside the central city that are directly adjacent to their city neighborhoods (Muller, 1981). Even white people have been affected by the segregating forces in areas outside central cities. While whites have found suburbs open to them, the uniformity of housing prices within each subdivision has resulted in graphic income segregation within suburban regions. Wealthier suburbs in particular have been successful in keeping blacks and the less affluent out of their areas through the home rule device of *exclusionary zoning*: local control over land use and building codes enables individual communities to prohibit the building of low- or moderately priced housing within the regional counties and towns of the MCMR. This preserves the value of higher priced homes and maintains exclusivity. Years of such practices have made suburban housing increasingly expensive, thus creating a housing shortage in suburbia for first-time buyers.

In sum, suburban regions have taken on diverse socioeconomic characteristics. For the white population, there is considerable diversity of community type,

although there are increasing class differences and a growing housing shortage, much like the inner city, due to the decreasing affordability of moderately priced apartments and homes. African Americans remain relatively excluded from suburban living except in designated places. Hence, the vast suburban regions are increasingly segregated by class and race. In its own way, this pattern replicates the division of race and class within the central city. Thus, city problems of residential segregation have been duplicated in the suburbs and are now *region wide*.

Economic Deconcentration

For the suburbs, economic deconcentration due to deindustrialization since the 1960s has meant a combined process of both capturing new job growth and decentralizing economic activities from the large central city, as well as the process of their recentralization in minicenters within the suburban region. Let us consider the separate economic dimensions of deconcentration.

The total amount of all *retailing* in the United States is dominated by malls and big box store shopping centers—those ubiquitous consumer plazas anchored by a Target, Walmart, or Home Depot located in suburban realms of the metropolis. By the time of the 1970 census, the suburban share of regional sales passed the 50% mark for the fifteen largest metropolitan statistical areas (MSAs). According to Muller:

> Steadily rising real incomes, fueled by the booming aerospace-led economy of the middle and late sixties, created a virtually insatiable suburban demand for durable consumer goods. With almost no preexisting retail facilities in the burgeoning outer suburbs, huge capital investments were easily attracted from life insurance companies and other major financial institutions. Not surprisingly, regional shopping centers quickly sprang up at the most accessible highway junction locations as their builders strived to make them the focus of all local development. (1981:123)

Suburban shopping malls were so successful that their numbers increased more than tenfold from approximately 2,000 in 1960 to over 20,000 in 1980. Sizes of suburban retailing centers increased over time to malls and supermalls. Houston's Galleria complex, for example, takes its name from the Galleria of Milan, Italy. It is several stories high and is built around an Olympic-size skating rink that is open year-round, a feat of some proportions if you consider the warm, humid climate of Houston. The Galleria has three large department stores, more than 200 smaller shops, four office towers, two hotels, over fifteen restaurants and cinemas, nightclubs, and even a health club. Its seven-level parking facility has room for over 10,000 cars. As the success of malls advanced, the scale of the Galleria has been topped by more recently built spaces. Recently the phenomenon of "mega-malls" has emerged as the new suburban focus of retailing. In the summer of 1992 a new, fully enclosed complex was constructed outside the city of Minneapolis that is so large it has room at its center for a seven-acre miniature version of a famous California theme park, Knotts Berry Farm. This "Mall of America," as it is called, contains 2 million square feet of space and enough parking for thousands of cars. Spectacular and fully enclosed mega spaces for shopping located in regional minicenters replaced the downtown streets of the inner city department store district by the 1980s.

In the past several years, however, the mall has exited its boom stage as over-development resulted in many malls around the country going bust. The famous, historical department stores, like Sears, JC Penney, and Macy's, that once commonly served as anchor tenants for older malls, are struggling or have gone bankrupt. The last fully enclosed mall built in the United States was in 2006. Of the 2,000 or so large malls that dotted the suburban landscape in 2007, only 1,100 of them remain open, a drastic decrease of almost half. Experts expect another 25% to close by 2023.

There are a handful of reasons for the relative decline of suburban shopping malls. On the supply-side end, there was simply an overdevelopment of malls built during the boom period. In 1992, the same year that the Mall of America opened, there were forty-eight malls within a ninety-minute drive from Times Square. Malls were basically standardized and offered the same stores and merchandise as every other mall, thus they lacked alternative choices for consumers. Another and perhaps more important reason is the wage stagnation that has taken place in the US since the early 2000s. Even during the boom period of the mid 2000s and the current post-recession period since 2008, wages have not increased. Service sector jobs, much of them in retail and found at the same malls that are closing, did not pay well. This created a two-tiered retail sector. One tier is centered on luxury brands, such as Tiffany's, Louis Vitton, and Burberry. The other tier are the discount merchants such as Walmart, Target, Marshalls, and Dollar General that are typically found in standalone stores within plazas. The disappearance of malls, therefore, is also a reflection of the disappearing middle class that possessed a larger disposable income for shopping than today's average consumers.

On the demand-side, new technology and shifts in consumer sentiment have also had an impact on retailing. Online retail giant Amazon's sales grew from $16 billon to $80 billon between 2010 and 2016. By the summer of 2018, its capitalization was approaching an unimaginable one trillion dollars. Amazon has the power to leverage companies into lower wholesale prices in exchange for being "searchable" on its website. With free shipping and access to basically any commodity that can legally be sold, Amazon emerged as the number one destination

for online shoppers. Both Apple, already the first to reach one trillion dollars in capitalization, and Amazon are also leaders in selling electronic media, including music, films, and games, while the product, media, is now moving into purely digital formats through cloud technology (where large amounts of data are stored online and can be accessed from any computer or mobile device). Mobile wallets and cellular technology have made shopping and paying with a phone easier, quicker, and more secure than ever before. Although consumers are spending less on merchandise, they are spending more on vacations and dining out, especially at places offering specialty coffees or teas, designer foods, craft beers, and distinctive spirits or cocktails, all offered in standalone buildings.

What is the future of suburban retailing and how does this affect the metropolitan region? The amount of job losses from retail in such a short period of time is staggering. Over 100,000 retail jobs were lost from October 2016 and April 2017 just from the closing of department stores. Job loss in retail disproportionately affects women, younger workers, and low-income workers. In addition to empty malls and plazas, the replacement discount stores, such as Dollar General, may employ fewer than ten persons at or slightly above minimum wage. The restaurant industry, which is also propped up by special rules that allow restaurants to pay workers below minimum wage because they receive tips, cannot soak up the growing surplus labor coming from retail. Furthermore, restaurants are always a tenuous business subject to increases in rents, shifts in consumer tastes, and more recently, the competition of locationally flexible food trucks to go to work sites, popular outside spaces, and events instead of hungry consumers needing to travel to a mall or inner city restaurant. This contributes to a growing amount of part-time labor or even poverty across the metropolitan region.

The future of malls may lay in rethinking suburban retailing via simulated urban environments and hybrid brick and mortar/online retailing. For example, successful new forms of suburban retailing can be found at The Eaton Center outside of Columbus, Ohio, or The Grove in Los Angeles. Unlike the massive second generation malls like Mall of America that were built vertically, these third generation malls are spread out horizontally, in a combined enclosed and open space, designed to mimic a city center setting and allow for a "pedestrian" experience, much like themed parks. In addition to a mixture of shops and restaurants, they include faux streets free of cars, or in the case of The Grove, have an old time trolley car that moves down the middle of the mall. Developers are drawing from this new urban inspired model and planning to incorporate offices, medical facilities, and apartments into the higher density, mixed-use third generation suburban mall. If successful, the new malls will ensure that economic deconcentration from the historical inner city and its reconcentration in minicenters across the MCMR remains a consistent feature of regional growth for the foreseeable future. At the moment, however, the decline in the number of large retailers in multicentered malls as well as in the inner city persists, as does the shift to smaller, luxury shops carrying specialty items. Thus, retailing no longer represents the attractive, large employment sector of the past.

Manufacturing

Over the years suburban areas have changed their bedroom image in part by being the recipients of many new manufacturing industries that remain active. By the 1980s, the percentage of manufacturing for the suburban rings of most metropolitan areas nationwide was over 50%. Boston and Pittsburgh, for example, have over 70% of their manufacturing located in the suburbs, while Los Angeles, Detroit, San Francisco, St. Louis, and Baltimore have over 60% located in the suburbs.

Suburban developers, in the 1950s, innovated a form of space called the "industrial park" that is zoned entirely for business, especially manufacturing. Usually local towns or county governments provide significant tax incentives, infrastructure, and other subsidies to attract manufacturing. The presence of such attractive and inexpensive locations in suburbia is one factor in the progressive deconcentration of manufacturing and its agglomeration in regional minicenters.

Most recently, suburbs have focused on attracting high-tech companies. Many, as a result of active land-use planning, are concentrated into *growth* poles like "science parks" and "medical campuses." These are more specialized research and development centers that are often linked with manufacturing and are located near university facilities. The most spectacular example is Silicon Valley, just south of Stanford University in California. A corridor stretching from the city of San Jose to Palo Alto makes up the spine of Silicon Valley and contains over 800 factories that produce state-of-the-art electronics and computer products. This complex is intimately connected to the research resources of Stanford University where the largest electrical engineering department is located.

While Silicon Valley remains the best known of the new spaces created by high-tech industries, other examples of growth are Route 128 outside of Boston, the San Diego–La Jolla complex associated with electronic medical technology innovators, the Research Triangle complex located near the Duke and University of North Carolina campuses, and the Iowa-to-Minnesota corridor of high-tech medical firms anchored at the Mayo Clinic in Rochester, Minnesota. The area around Irvine, California, is typical of the new spaces created by high-tech industries. Anchoring it is the University of California at Irvine campus that stretches for miles across land which was once used for ranching and farming. This region has been the subject of a study (Kling et al., 1991) arguing that a new social order has developed there which surpasses the stereotype of suburban life and is based on consumerism, low-density residential living, professional occupations,

and an economic base of knowledge or information processing industries. As elsewhere in our discussions, the sociospatial approach considers these changes as also part of the correlation between the MCMR spatial form and the domination of the global stage of capitalism.

The significance of these high-tech growth poles is that they foster industrial development that is completely independent of the central city. Because of their economic success, they often become the principal places in the society that earn money on the global market, thereby leading the country's growth (Storper and Walker, 1989). During the 2017 to 2018 period, most of the growth in the Fortune 500 stock market index was made up of only three high-tech corporations: Google, Apple, and Amazon, that are all global in scope. In the past, models of industrial development have placed the city in a dominant role by referring to it as "the core," with the suburbs described as "the periphery." Development of society meant nurturing city-based industry. In this model, which better describes urban growth in the 1960s and 1970s, manufacturing was believed to originate in the city and then migrate out to the suburbs. All evidence now rejects this concept. The city is no longer privileged as the incubator or location of most industries. Development begins just as frequently throughout the multicentered metropolitan region as in historical central city locations, and since the late 1970s, suburban areas have become the "major zone of industrial expansion in its own right, in which *self-generated* growth has been primarily responsible for its current eminence" (Muller, 1981:143). Hence, the new patterns correlated with the shift to global capitalism now challenge the way people once thought about economic development.

In sum, then, the historical central city has lost its role as the dominating node of a regional economy. In many industries, important businesses are likely to locate in the suburbs and economic development is now a metropolitan regional affair.

Office and Administrative Headquarters

Perhaps the most significant example of the increasing importance of the shift to the MCMR, along with the maturation of suburbs and, conversely, the decline of the central city, is the progressive relocation of corporate headquarters to fringe areas. In the past, during the stage of monopoly capitalism, such headquarters were almost exclusively located in the central city and in high-rise office buildings. Today this is much less the case, although many headquarters remain in the historical inner city. During the 1960s, New York City, for example, was host to more than 130 of the Fortune 500 companies. By the 1980s that number had dropped to seventy-three, and dropped even further to forty-five in 2017, a loss of over eighty corporate headquarters in fifty years. Furthermore, almost all the forty-five New York City-based Fortune 500 companies are in the financial sector, as we have noted about the effect of the shift to global capitalism on the inner city. And, major leading global corporations, like Google and Apple have constructed campuses, as their headquarter centers and located them outside the inner city, instead of the monopoly capitalism's corporation that erected high-rise city buildings.

The historical, large central city can no longer be regarded as the dominant location choice for manufacturing or corporate headquarters. But the maturation of suburban areas with regard to administrative employment is even more significant. Despite some predictions that, as metropolitan regions grew, central cities would retain their command-and-control functions (Hawley, 1981), this has not proven to be the case.

In a study of the twenty-one largest MSAs, Ruth Armstrong (1972, 1979) found that, leaving the special case of New York City aside, administrative functions were evenly distributed between large cities and their suburbs in 1960. During the decades following her study, administrative and headquarter employment decentralized in favor of the suburbs as companies, such as PepsiCo and General Electric, abandoned centers, such as Manhattan, for the adjacent suburban towns of Purchase, New York, and Fairfield, Connecticut, respectively. Several other studies have verified that this trend is continuing and that command-and-control centers are growing in the suburbs (Quante, 1976; Pye, 1977), even including, as well, the creation of campuses within regions rather than vertical buildings sited in cities. In short, administrative functions, like all other economic activities, have been deconcentrating since the 1960s. When people like Sassen (1994) and her followers talk about the "Global City" then, they are mistaken in thinking that specialization is concentrated in "command-and-control" functions. Unfortunately, because it has been the source of confusion for quite some time, global-based employment is largely confined to the sector of finance capital, which is concentrated in only a few of the larger cities of the world. Global city advocates, like Sassen, couldn't be more mistaken as they reduce the MCMRs to a single, spaceless dot that is the specialized financial district alone.

BEYOND SUBURBIA: THE EMERGENCE OF THE MULTICENTERED REGION

By the 1990s, suburban regions in many areas of the United States had so matured that development was occurring in peripheral areas independently of major urban centers. This special and independent mode of regional, multinucleated growth was manifested as the *fully urbanized county*, such as Orange County, California, which is a net employing region with a labor force of over 1

million (Kling et al., 1991). The most important characteristic of the fully urbanized county is that it does not contain any large cities, yet it functions much like a city by providing jobs as well as housing and services for its residents. As we have maintained in previous chapters, this new spatial phenomenon has appeared as the economic system transformed from monopoly to global capitalism.

First studied by Gottdiener and Kephart (1991), the fully urbanized counties appeared in number during the 1980s, although two regions—Orange County in California and Nassau and Suffolk Counties in New York—had already achieved independent MSA status by 1980. Other multinucleated counties lie outside of MSAs. Oakland County in Michigan is typical. It is situated adjacent to but outside the Detroit MSA and had a 1980 population of over 1 million people, but its largest city contained only 76,715. The county employed virtually all of the people who lived there with an employment-to-residence ratio of .93 in 1980 and grew by 11% between 1970 and 1980 (a rapid rate considering that Detroit itself declined drastically in population). Oakland County's labor force was composed of 26% in manufacturing, 30% in retailing and wholesaling, and 25% in services, as well as other industries; that is, it possessed a balanced, diversified economy. Finally, in 1980 Oakland County had a median family income of $28,407—above the national average—and was 93% white. Oakland County in Michigan was very much like at least twenty other multinucleated metropolitan regions located around the country that were identified as the new form of urban space, the MCMR (Gottdiener and Kephart, 1991).

The multicentered metropolitan region is constantly changing. The impetus for change occurs at the global level, as global capital demands and reorders urban space to fit its needs. Change proceeds through the deconcentration of economic resources and activities from the historic city centers, which are subsequently disbursed and reconcentrated into minicenters. The minicenters are not confined to the center of the MCMR; they can exist anywhere in the MCMR. As population and societal activities have moved away from historical city centers, in the process of deconcentration, and spread out in more uniform density throughout an ever-expanding metropolitan region, they have also coalesced, or reconcentrated in minicenters, such as malls, office parks, sports complexes, government buildings, airports, and higher density residential developments. All these more concentrated aspects of the region possess their own dynamic of social, economic, cultural, and even political activities. As stated, the minicenters also grow from attracting people and activities from outside the region, not just the adjacent city. Hence, the new form of space remains urban but has taken on the form of a multicentered mix that is regional in scope.

To be sure, the large, historical urban cores have not died nor lost their important place within the regional array. Yet they are not nearly so dominant as in the past and, furthermore, their once concentrated cultural, economic, political,