



Lessons from the Motor City: Why Detroit Matters for the 21st Century World

by Brian Doucet

BACKGROUND

It is easy to forget how wealthy Detroit once was. In the time of Henry Ford, it was the Silicon Valley of its day. Entrepreneurs flocked to the city because it was at the cutting edge of industrial innovation. The assembly line, perfected by Ford, launched a whole new mode of production that revolutionized the world. The city was a magnet for migrants searching for their piece of the American Dream.

In the 1920s, Detroit was one of the fastest growing cities on earth. World War II saw Detroit become the arsenal of democracy, as car factories retooled to meet the needs of the war effort. In the post-war years, Detroiters enjoyed some of America's best public schools and had the nation's highest rates of home ownership. Their city was the flagship of America's industrial power. By 1960, the population reached almost two million.

It is very difficult to remember all this when looking at Detroit today, a city now known for its crime, decay, white flight, and arson, where one-third of the land is vacant. So what happened to the one-time fourth largest city in the United States, now bankrupt and home to fewer than 700,000 people? There is no shortage of explanations; many blame the recent economic crisis or political mismanagement. But the reasons for the city's decline (and therefore its solutions) are far more complex and have many of their roots far beyond the city limits of Detroit.

FACTS OF THE CASE

In order to fully understand what has happened to Detroit, two factors are important. The first are the wider structural trends of deindustrialization and globalization that have caused production (and the well-paying jobs it brought) to relocate away from America and other Western nations. The second is a regional political governance structure that is extremely fragmented. This system rewards and encourages sprawl at its edges and ensures that the suburban wealth within Greater Detroit remains in the suburbs rather than being pooled across the region (see Figure 1 for a map of the city and its northern suburbs).



□ *Figure 1*
Detroit and Its Northern Suburbs.

No city on earth has been more affected by deindustrialization than Detroit. It has been a long process; in his book *The Origins of the Urban Crisis*, historian Thomas Sugrue pointed out that tens of thousands of well-paying jobs were leaving the city as far back as the 1950s. He highlights the east side of the city, once home to factories such as the Packard Automotive Plant (see Figure 2), which employed tens of thousands of people whose paychecks sustained the nearby neighborhoods. When these jobs disappeared, neighborhoods fell into decline, and many people who could leave for greener pastures in the suburbs did. As the population declined, businesses catering to them also closed, leaving once-thriving commercial streets looking like a war zone (see Figure 3). This downward spiral of departure has produced the urban prairie that characterizes much of inner-city Detroit.



▣ *Figure 2*

The Packard plant represents Detroit's structural economic changes. It, and hundreds of other factories like it, lies vacant as the forces of globalization and deindustrialization hit Detroit harder than any other city on earth.



▣ *Figure 3*

Once-thriving commercial areas, like Chene Street on Detroit's east side, have been devastated by a loss of employment followed by extreme depopulation of the adjacent neighborhoods.

One of the best accounts of the city's fortunes is George Galster's book *Driving Detroit*. In it, he states that between 1950 and 2005, the city lost 29 percent of its homes, 52 percent of its people, 55 percent of its jobs, and 60 percent of its tax revenue. Since 2005, these numbers all have increased considerably. Most of this has simply been transferred to the suburbs. What remains in the city is even more shocking: The average selling price for a home in Detroit in 2009 was \$13,000, with less than one percent of dwellings valued at more than \$300,000. Between 1970 and 2000, 160,000 homes were abandoned in the city. Given these dramatic statistics, how is a city supposed to function?

The city has faced an exodus of people and jobs to the suburbs for more than 50 years, and the governance, planning, and management of the Greater Detroit region exacerbates an already fraught situation. Greater Detroit is made up of more than one hundred separate jurisdictions that fund their own schools, libraries, police departments, and other social services. While the City of Detroit is bankrupt, Bloomfield Hills, situated in the heart of the city's northern suburbs in Oakland County (see Figure 1), is one of the wealthier jurisdictions in America (See Table 1). But virtually none of this wealth is shared with the City of Detroit. The irony is that while well-funded police departments spend their time chasing down teenage drinkers and parking violators in the salubrious suburbs, Detroit's police department must deal with some of the highest crime rates in the developed world, yet can only make do with skeletal supplies and antiquated infrastructure. This further contributes to the city being an unattractive place to live; those who can continue to leave for

the suburbs, and the downward spiral continues.

**Table 1. City of Detroit and City of Bloomfield Hills, Michigan
Selected Population, Income, and Housing Statistics, 2000 and 2010**

	City of Detroit, Michigan		City of Bloomfield Hills, Michigan	
	2000	2010	2000	2010
Total Population	951,270	713,777	3,940	3,869
% White	12.3%	10.6%	90.7%	87.3%
% Black or African American	81.6%	82.7%	1.6%	4.1%
% Hispanic or Latino (of any race)	5.0%	6.8%	1.1%	1.5%
% Persons 65 Years and Over	10.4%	11.5%	23.8%	29.7%
Median Household Income*	\$29,526	\$27,862	\$170,790	\$127,500
Housing Units Occupied (% of Total)	89.7%	77.2%	93.4%	89.8%
Housing Units Vacant (% of Total)	10.3%	22.8%	6.6%	10.2%

* Reported for 1999 and 2007-2011, respectively.

Table 1 Sources: U.S. Census Bureau, American FactFinder. Census 2000 Summary File 1 (SF 1) 100-Percent Data, Table DP-1, "Profile of General Demographic Characteristics: 2000," Summary File 3 (SF 3) Sample Data, Table DP-3, "Profile of Selected Economic Characteristics: 2000," 2010 Census Summary File 1, Table DP-1, "Profile of General Population and Housing Characteristics: 2010," and 2007-2011 American Community Survey 5-Year Estimates, Table DP-03, "Selected Economic Characteristics."

OUTCOMES

Fragmentation and Abandonment

This fragmentation encourages sprawl in a region whose population has remained constant at around 4.2 million for more than 40 years. Individual suburban municipalities rely on growth to fund their services, so they encourage home building within their borders (see Figure 4). What happens when you have urban sprawl and growth on the fringes of a stagnant region? The answer is extreme abandonment in its core (see Figure 5). This fragmentation helps to explain why there are so many abandoned houses in Detroit; they have largely been replaced by new homes in the suburbs. Because there is no regional coordination and regional planning, each municipality fends for itself. While further growth may be good for an individual municipality on the edges of the region, collectively it contributes to the City of Detroit's decline. George Galster calls this process the housing disassembly line. It also affects the entire region; continuing to add excess supply to the housing stock prevents housing from appreciating in value over time the way it has done in other parts of America, thereby diminishing the wealth and capital of households across Greater Detroit. Seen from this perspective, the abandonment of Detroit is as much a political story as it is an economic one.



▣ *Figure 4*

Suburban Homes in Troy, Michigan. Sprawl continues to be built at the edges of Greater Detroit, a region that has not grown in more than 40 years.



▣ *Figure 5*

Abandonment in Inner-city Detroit (Dubois and Wilkins on the east side). Growth at the fringes of a stagnant region leads to abandonment of its core. Much of Detroit looks like this; about one-third of the city is vacant.

But there is also a note of caution for suburban municipalities pursuing this "local growth in a stagnant region" development model; in the past, the city was pitted against its suburbs. 8 Mile Road, Detroit's northern boundary (Figure 6; See also Figure 1) was the dividing line between a poor (and increasingly African-American) city, and middle-class and wealthy (and predominantly white) suburbs. But now the same forces affecting Detroit are starting to creep into inner suburbs north of 8 Mile Road. Early post-war suburbs are starting to see abandoned homes and (sub)urban decay not unlike Detroit. This is evident in statistics for Bloomfield Hills as well (see Table 1).

These forces are not solely confined to housing. The city of Detroit has lost much of its auto industry; where there were once almost a dozen car plants, today there are just two: the highly successful Chrysler Jefferson plant and the GM Hamtramck Assembly Plant (which is partially in its namesake municipality and partially in Detroit). Today, however, these are the exceptions; in the postwar decades, the Big 3 all built plants in Detroit's suburbs and eventually other parts of America and beyond. Back in Detroit, many once-mighty automotive names now only exist in ruins: the Packard plant and the Fisher Body 21 plant being two of the city's more notable industrial abandonments.

Increasingly footloose businesses can move between jurisdictions at ease; local municipalities always will be eager to give tax breaks to lure jobs to their city or suburb, even if these jobs are just transferred from another municipality within the region. Other businesses outside the car industry also have left the region altogether; the former K-Mart headquarters in Troy has been empty since 2006 when the company merged with Sears and moved its offices to suburban Chicago (Figure 7). The future also will see suburbs pitted against suburbs for their share of a now-shrinking regional population and employment pools.



▣ *Figure 6*

8 Mile Road looks like thousands of other streets in America. Yet it politically divides the City of Detroit from its northern suburbs. It also serves as a powerful mental divide within the region.



▣ *Figure 7*

The former K-Mart headquarters in Troy is representative of abandonment in the suburbs.

LESSONS LEARNED

It Can Happen to Other Cities

Many people look at the Motor City and say "that can't happen to us." They point to Detroit's long history of troubled race relations, which stand out even among American cities. Or they lay the blame on mismanagement, political corruption or the city's inability or unwillingness to make drastic budget cuts. In these accounts, Detroit is at fault.

Yet the picture I have painted here is one where the city of Detroit is largely powerless to influence forces that are rooted in the suburbs or in global trends of production. These structural changes, and the deeply fragmented region that pits city against suburbs, are factors with which many regions have to deal. Detroit may be an extreme case of deindustrialization, regional fragmentation, and unchecked suburbanization, but it is by no means unique. A big difference is that many other American regions are continuing to grow, so new construction on the urban fringe is partly due to an increased number of households.

Detroit's key lesson should not be focused on political mismanagement, its combative labor relations or race relations. These factors have made Detroit's situation more dire, but they are not the root cause of its bankruptcy. Detroit offers the world a cautionary tale as to what happens to a place when the economic activity that created so much wealth disappears within a few decades, and when the wealth that remains gets sucked into politically separate jurisdictions with no provisions or desires to share that wealth on a regional level. These structural and political developments, far more than anything else, lie at the root of the city's current predicament.

While most visible today in old industrial cities such as Liverpool or Cleveland, Detroit's lessons have resonance with all cities. The risks of putting all your economic eggs in one basket are just as valid in the post-industrial world as they were in the industrial era. Think of how important the financial services industry is to today's wealthiest cities. New York, London, and Frankfurt, Germany, are all global financial leaders in the same way that Detroit, Buffalo, and Manchester, England, were industrial powerhouses. What would happen to these cities if globalization caused the center of the financial industry to shift toward China or the Gulf States? Stating that could never happen is similar to a 1960s Detroit proclaming that cars would never be made in Japan, Korea, or the American South.

Regional Governance and Tax Sharing

The first step is to acknowledge that these problems cannot be solved in Detroit alone. With less than 20 percent of the region's population, Detroit represents a smaller and smaller fraction of the southeast Michigan region. The region's governance structure encourages sprawl in a stagnant metropolitan area; each municipality is rewarded for the extra houses it builds through increased tax revenue and development fees. But the region as a whole suffers because it continues to add thousands of new surplus houses each year. The City of Detroit is absolutely powerless to stop this sprawl on the periphery, yet it feels the consequences of this through the continued abandonment of its neighborhoods.

Some sort of regional coordination and planning is necessary. A governance structure that rewarded development in the core and punished sprawl at the edges could radically reshape the region's political and economic geography, as well as Detroit's role within southeast Michigan. Such a scenario would share tax revenue so that Detroit's schools, police force, fire department and other services were adequately funded, thereby making the city a more attractive place to live, as well as development and tax incentives that encourage urban, rather than suburban growth.

Such a solution is highly improbable given the political climate in the Detroit region. Many suburbanites fled the city, and they — and their politicians — are unlikely to support measures that transfer their wealth to a city they gave up on years ago. Race plays a powerful role here; you do not have to scratch too far below the surface to find a mentality among some white suburbanites of: "We had a wonderful city in Detroit, which the blacks ruined, so we had to leave." 8 Mile Road (Figure 6, Figure 1) is as much a racial demarcation line as it is a political one between city and suburb.

So while the chances of regional coordination are slim, a first step would be to acknowledge that Detroit's (and other cities') problems are complex and involve forces operating at a regional, national, and even global level, and that all

these geographic scales will be necessary to find solutions. An acceptance and understanding that what happens in the suburbs has a profound impact on what goes on in the city would be a small, but significant, start.

Capitalize on Land with Unconventional Thinking

If the real solutions to Detroit's economic problems are beyond the jurisdiction of the city itself and therefore beyond the remit of any one planning agency, what, if anything, can planners do to support Detroit? This is where planning needs to adapt to the new urban reality of cities like Detroit. It is important to recognize that the "ordinary rules" do not apply when normal market forces have collapsed. Private property takes on an entirely new meaning when housing is virtually worthless; zoning is very different when a third of the city is vacant. Detroit has an abundance of two key things to build on for its future: land and ideas about how to use it in unconventional ways. In order for the city to emerge as a post-industrial leader, planning regulations need to not only accept this, but embrace it.

There is no shortage of people and groups who want to use Detroit's abundance of land in unconventional ways. Urban agriculture is a growing movement in Detroit (see Figure 8). The entire city should not be turned into a farm, but it should be made easy for those living in the city to grow vegetables on abandoned plots next to their homes, or for community groups to start local garden projects. As Detroit journalist John Gallagher has commented, urban agriculture is as much about growing communities as it is about growing food. Worldwide, there is a growing movement toward bottom-up, community-based planning, particularly in an era of budget cuts and austerity, where municipalities have less money to spend on infrastructure and urban development. Detroit and Detroiters have no shortage of ideas about the future of their city and neighborhoods, many with strong social justice and community-based themes. Now is the time to give these groups the power to try to realize these visions.



▣ *Figure 8*

Urban agriculture, which grows communities as much as it grows food. Manistique Street on the far east side of Detroit.



▣ *Figure 9*

Old downtown buildings that have been given new life as lofts and offices.

Reuse Abandoned Buildings

Another thing Detroit has an abundance of is abandoned buildings. There have been several high-profile restorations of long-shuttered downtown skyscrapers that have been turned into lofts, offices, and hotels (see Figure 9). Downtown, new tech startups and an office for Twitter are being housed in the M@dison, a former theater, and two long-abandoned skyscrapers from Detroit's golden age — the Broderick and the David Whitney — have been refurbished and converted into lofts and apartments. Quicken Loans, led by Dan Gilbert (who has been purchasing many of these abandoned

buildings), is the most high-profile company to move its employees into the city. Currently there are more than 7,500 employees housed in a new downtown office building on Campus Martius.

Revive the core, but...

So far, initiatives such as these have breathed new life into Downtown and Midtown, two areas that always have been part of Detroit's core. Here, populations are actually rising (though the city's overall population is still falling fast) and these new "creative" and artistic migrants are drawn to Detroit for its cheap rent, edgy environment and sense of adventure. The revival of the core of Detroit has attracted notable attention. A recent edition of Air Canada's inflight magazine, *En Route*, focused on the city's revival. It captured this new discourse that is gaining media traction in its introduction: "Fuelled by artisanal coffee, grassroots ethnics and a whole lot of elbow grease, Detroit's arts and crafts scene is revving up again." One of the more successful schemes has been the *Live Midtown* initiative. Led by three of the city's biggest employers — Wayne State University, Detroit Medical Center and the Henry Ford Hospitals — it provides up to \$20,000 for employees toward the purchase of a house in Midtown. Other incentives are available to renovate homes or rent in the area. The project has helped to gentrify neighborhoods such as Woodbridge (Figure 10).

... Gentrification by the Creative Class Has its Social and Spatial Limits

Even American urban theorist Richard Florida is starting to see optimism because of the changes occurring in the core of Detroit. While he, too, argues there is a need for regional coordination, his optimism is rooted in the above-mentioned changes taking place Downtown and Midtown. He states that: "Bankruptcy is not likely to disrupt the flow of capital, technology, and talent back to the urban center."

While these changes are indeed dramatic, they must be put into a spatial context. The "urban center" is the most important part of Richard Florida's statement quoted above. The ongoing revival of Detroit has been concentrated in fewer than 10 of the city's 160 square miles. The rest of Detroit has been detached from this revival. Heading east from Wayne State University by car, it takes less than two minutes to enter the abandoned city depicted in Figures 3 and 5. Those who see the "creative class" and gentrification as miracle cures for cities such as Detroit should be cautious of the spatial realities of this development strategy.



▣ *Figure 10*
Gentrification on Avery Street in the Midtown neighborhood of Woodbridge.



▣ *Figure 11*
Mansions worth around \$250,000 in Indian Village.

Beware of the Hidden Costs of Cheap Housing

One fact that strikes outsiders is how cheap housing is in Detroit. There are the stories of homes being purchased for \$1. But there are also several stable neighborhoods throughout the city. Neighborhoods such as Boston-Edison, Palmer Woods, or Indian Village (Figures 11) once housed auto executives and other elites in Detroit. Today, while stable and largely (though not entirely) free from blight and arson, these mansions sell for a fraction of the cost of similar properties in Chicago, Boston or New York. In Indian Village, on the east side of Detroit, 3,000- to 4,000-square-foot homes are currently on the market for between \$70,000 and \$250,000; in Palmer Woods, near Woodward and 7 Mile, larger, 6,000- to 7,000-square-foot mansions range between \$339,000 and \$785,000 (Zillow). These small enclaves have been largely successful in staving off blight and they retain a strong character and community spirit.

On the surface, these stable pockets of Detroit appear to offer affordable yet luxurious housing opportunities. While these house prices may be extremely low compared to other cities, there are other costs associated with living in Detroit. George points out the true costs of living in Detroit: home insurance is double the cost of the suburbs, auto insurance three times the price; city residents pay the highest rate of tax in Michigan for some of America's worst municipal services; if you have children, you will probably have to pay to send them to private schools because 70 percent of the kids in Detroit Public Schools are poor. This is not to mention the extra security costs incurred and the lack of amenities throughout the city. In Detroit, even in the most affluent neighborhoods, daily life is much more of a challenge than in other cities.

Re-imagine the Whole Geographic Area

Any real plan for the future of Detroit must address the other 150 square miles of the city that have not benefited from the downtown renaissance and are not among the few pockets of stability scattered throughout the city. The city's new plan, *Detroit Future City*, encourages the inhabitants of blighted and declining neighborhoods to move to more stable and successful ones so that much of the city can be "shut down" or turned into green space. On the one hand, this plan shows that any and all options are on the table; if it were to be implemented, *Future City* really would be heading into uncharted territories. On the other hand, it is an acknowledgement that much of the city has failed and should be written off.

While this might be cheaper for the provision of municipal services, it ignores the fact that, among the ruins, Detroiters are coming up with new visions and ideas and that, perhaps with some help, these communities could transform themselves. In addition to agriculture, the ruins of Detroit have been reimagined as art through the successful Heidelberg Project (Figure 12). While these initiatives may not necessarily re-create the economic wealth of the industrial era, they offer hope and community-led visions for renewal.



▣ *Figure 12*
Seeing hope among the ruins at the Heidelberg Project.

Learn from Detroit's position as an urban pioneer

Detroit offers us an extreme example of trends and processes that can be found in cities across the world. Detroit always has been ahead of the curve — a pioneer into new urban, economic, social, and political geographies. It was the first city to perfect the assembly line. (Fordism gets its name from Henry Ford's Highland Park plant, now celebrating its 100th anniversary.) Detroit was the first city in the world where average factory workers could climb up to the ranks of middle class consumers. Many, including community activist Grace Lee Boggs and historian Thomas Sugrue, have argued that our modern consumer society has its origins in Detroit. The city was also the first to suburbanize based on the car. More recently, it has been one of the first cities to feel the full effects of deindustrialization and depopulation. Today, it is a pioneer in a post-industrial world, a leader in urban agriculture where new and radical ideas about how to use urban space are discussed on a daily basis.

Detroit is Not Unique

Detroit matters to the rest of the world because it is a pioneer and an extreme case of deindustrialization, regional fragmentation and population decline. It offers an example of these forces in their strongest and most unchecked forms, but it is by no means unique. The paths that Detroit takes over the coming years will influence other cities around the world as they struggle with these issues themselves. The scale of destruction in Detroit shocks many into believing "it

will never happen to us." But those who ignore the lessons from the Motor City do so at their peril. For those who still say that such a decline could never happen to us, Detroit's lesson should not be to look at how poor and bankrupt it is now, it should be to look at how cutting-edge, innovative, and prosperous it was only a short time ago.

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