
Introduction

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Our good city of New York has already arrived at the state of society to be found in the large cities of Europe; overwhelmed with population, and where the two extremes of costly luxury in living, expensive establishments and improvident wastes are presented in daily and hourly contrast with squalid mixing and hapless destruction.¹

Philip Hone, 1843

New York City as the Social Laboratory for the New Society

Just as Philip Hone, Richard Henry Dana, and Charles Dickens contrasted such "dark, filthy, violent, and degraded" places as the "Five Points" with the bright achievements of Broadway a century and a half ago, observers are again depicting New York as "two cities," one rich and one poor.² Despite the economic slowdown since the stock market crash of October 1987, New York incontestably remains a capital for capital, resplendent with luxury consumption and high society, as *Town and Country* proclaimed in a cover story on the "empire city." But New York also symbolizes urban decay, the scourges of crack, AIDS, and homelessness, and the rise of a new underclass. Wall Street may make New York one of the nerve centers of the global capitalist system, but this dominant position has a dark side in the ghettos and barrios where a growing population of poor people lives.

These trends have prompted the literary imagination to embrace the "dual city" metaphor, as in Tom Wolfe's best-selling *Bonfire of the Vanities*. In it, Sherman McCoy, a Wall Street "master of the universe," is brought low by his contact with the mean streets and political byways of the South Bronx.³ Nor is the appeal of the "dual city" metaphor merely

journalistic or literary: *New York Ascendant*, the report of the City's Commission on the Year 2000, expressed a similar view. Noting that "New York's poverty is not new," it found that "today's poor live in neighborhoods segregated by class with few connections to jobs. . . a city that was accustomed to viewing poverty as a phase in assimilation to the larger society now sees a seemingly rigid cycle of poverty and a permanent underclass divorced from the rest of society."⁴

The brutal attack by a band of black teenagers, out "wilding" in Central Park, on a young woman investment banker brought home the clash between two subcultures distinguished by race, class, and place that nonetheless uneasily share public spaces. This assault punctuated a series of interracial attacks that began with white youths chasing a black man to his death on a busy highway in Howard Beach, Queens, and continued, shortly before the 1989 Democratic mayoral primary election, with the murder of another black youth who had come to the Italian neighborhood of Bensonhurst to look at a used car.⁵

These events, together with the post-stock market crash economic slowdown, provided the backdrop to a pivotal moment in the city's political development, the defeat of Mayor Edward I. Koch and the election of David N. Dinkins as New York City's first African-American mayor. A coalition centered in the white middle class neighborhoods of Brooklyn, Queens, and Staten Island had twice reelected Mayor Koch, and he saw himself as a strong proponent of middle class values and interests. Rightly or wrongly, others perceived the Koch administration's rhetoric and policies as having worsened the racial and class tensions afoot in New York City during the 1980s.⁶

Growing disaffection from Mayor Koch, reaction against the racial attacks, and coalition-building on behalf of David Dinkins revitalized a liberal electoral alignment that had been dormant since the 1969 reelection of John Lindsay. In the September 1989 Democratic primary blacks combined with both Latinos and a substantial number of white liberals to defeat Mayor Koch and nominate David Dinkins for mayor. In the November general election, the Republican candidate, Rudolph Giuliani, recreated the core of the Koch coalition, but Dinkins was able to retain enough white support (approximately 28 percent of the white voters) to win a narrow victory. The desire among excluded groups for a more responsive government fused with white liberal dismay at emerging divisions within the city to constitute a new, if fragile, majority.

There can be little doubt that New York City's trajectory towards greater racial and income polarization helped bring the Dinkins administration to power and will severely test its ability to govern. This trajectory poses critical questions not only for the city's people and their political leaders,

but also for social scientists. These questions require careful analysis, not merely journalistic, literary, or even political recognition.

This volume presents a rigorous examination of emerging patterns of inequality in the postindustrial city and their causes and consequences. It seeks to translate the popular conception of a city divided between rich and poor, white and black, into more subtle research questions about how class, race, ethnicity, and gender divisions have intersected with the city's economic transformation to form complicated new patterns.

We use New York City as a laboratory because, as Saul Bellow wrote, "what is barely hinted in other cities is condensed and enlarged in New York," and because the New York experience illuminates not just one great city, or indeed all large cities, but the forces affecting most of the globe. Just as Chicago was central to nineteenth century urban industrialization, and the founders of modern social science studied it to understand these processes, New York can be viewed as central to understanding the late twentieth century postindustrial transformation.

We begin this exploration by describing how New York City's economic structure has been changing. Next, we relate these structural changes to the formation of a new ethnic, racial, and gender division of labor that provides upward mobility for some groups while isolating others in contracting sectors. We elaborate this analysis by examining the growth of an informal economy, the changing shape of the public sector, and changing spatial patterns of work and residence. With this context, we turn to two occupational strata that characterize the postindustrial city: upper professionals and women clerical workers. We also examine how the tendencies toward polarization may be seen in the spheres of child-rearing and family disorganization, street crime, the mass media, and patterns of neighborhood change. We then analyze how broader economic and cultural trends influence patterns of community organization and electoral participation. The volume concludes by turning outward, comparing New York to Los Angeles and London.

These essays do not present an exhaustive analysis of the transformation of New York. Many other social strata, ranging from white ethnic, blue collar workers to the wealthy and powerful, deserve further study, as does the controversial question of whether an underclass exists in New York. Essays on patterns of inequality in education, income distribution, or race relations would also help provide a more complete picture. We do not argue that New York's experience was the only possible form that the postindustrial transformation could take, or even that the particular form it took was necessary. The following chapters nevertheless do illuminate how global economic restructuring influenced the weaving of the social,

cultural, and political fabric in one profoundly revealing case, New York City.

An Overview of the Postindustrial Transformation

What is the nature of the current restructuring that is creating a postindustrial city? Some reject the term *postindustrial*, arguing that while manufacturing employment has fallen, manufacturing output still constitutes a large portion of the GNP and remains central to the nation's competitive position.⁷ Others object to the implication in Daniel Bell's original formulation that knowledge has somehow replaced capital as the organizing principal of the economy. These observations are well taken: our use of *postindustrial* implies neither that industrial production has become economically irrelevant nor that control over knowledge has replaced return on investment as the organizing principal of the world capitalist economy. But the term does capture a crucial aspect of how large cities are being transformed: employment has shifted massively away from manufacturing (and handling goods more generally) toward corporate, public, and nonprofit services; occupations have similarly shifted from manual workers to managers, professionals, secretaries, and service workers.

The enormity and richness of the postindustrial transformation can be compared only to the nineteenth century industrial revolution. Basic changes in global capitalism drove both. Global economic competition, a major technological revolution, the formation of a new international division of labor, the growing power of finance relative to production, the spatial concentration of global financial markets, the growth of global telecommunications networks, and migration from Third World industrializing nations to the core cities of the first world are among the forces at work.⁸

New York is central to these processes, whether one looks at international trade, financial markets, shifting patterns of global investment in manufacturing, or telecommunications technologies. At its core is the Manhattan central business district, where 2 million people work in 600 million square feet of office space. The surrounding 30-county region contains another 8 million jobs, producing a gross city product of \$150 billion and gross regional product of \$425 billion in 1985.⁹ Half of the gross city product, in turn, originates from its advanced corporate service firms. Although the 1987 stock market crash has slowed their growth, over the long term they will continue to drive the city's economic transformation.

New York's share of foreign deposits in U.S. banks¹⁰ and U.S. offices of

foreign banks¹¹ are steadily increasing, while its share of U.S. banking assets has held steady at one-third over the last decade.¹² In 1970, 47 foreign banks in New York City had assets of \$10 billion. By 1985, 191 banks with assets of \$238 billion had New York offices employing 27,000 people. More importantly, New York City-based firms held a quarter of the assets of the world's 130 largest institutional investors.¹³ A quarter of all U.S. securities firms with more than 50 employees were located in New York.¹⁴ The tremendous growth in investment banking between 1977 and 1987 was reversed by the aftermath of the 1987 market crash and the deflation of the 1980s financial boom. But a period of consolidation may well make this industry more competitive in the long term; even now, despite the decline in securities employment, other advanced corporate service sectors continue to grow.

Six of the "big eight" accounting firms and 19 of the world's 30 largest advertising agencies are headquartered in New York City.¹⁵ A third of all U.S. law firms with more than 100 members are located in New York; only one-fifth of all such firms have foreign offices, but half are located in New York City.¹⁶ New York City accounts for 20 percent of national employment in "information intensive industries" and has a higher ratio of such employment than any other city except Washington and Boston.¹⁷ No other city has done more to propagate the forces of global economic change and none has felt their impact more strongly.¹⁸

As service activities boomed over the last several decades, disinvestment decimated manufacturing in New York City, especially during the crisis of the mid 1970s. Manufacturing remains important to the region, but New York can no longer claim to be an industrial city. Since 1965, the number of *Fortune* 500 industrial firms headquartered in Manhattan fell from 128 to 48, while manufacturing employment dropped from 865,000 (almost a quarter of the total) to 355,000 (under 10 percent of the total).¹⁹ Related sectors like trucking, warehousing, and wholesale trade experienced a similar collapse.

The shift toward corporate, nonprofit, and public services produced important changes in the occupational mix and the nature of the city's labor market at a time when racial succession and immigration were simultaneously reshaping the city's population and labor force. These demographic shifts intersected with economic change to produce a new racial/ethnic/gender division of labor and, as wealth and poverty both grew, new forms of inequality.²⁰ In the mid 1950s, blue collar white ethnics were the single largest social stratum. Turn-of-the-century immigrants and their children still made up an industrial working class of considerable proportions. Today, their numbers are vastly diminished; those who remain are increasingly elderly.

In their place, three new groups have become predominant: mostly white male professionals and managers; more typically female and black or Latino clerical and service workers; and Latino and Asian manufacturing workers. In the decade of rapid economic growth after 1977, real incomes rose strongly for many groups in the city. But despite the decade of economic expansion, poverty increased from 15 percent in 1975 (about 20 percent over the national average) to 23 percent in 1987 (almost twice the national average).²¹

The increase of female-headed households, low labor force participation rates for virtually all subgroups of the population, and the decline of the real value of transfer payments contributed to the growth of poverty.²² Moreover, blacks and Latinos have been largely excluded from the most rapidly growing and remunerative occupations in the postindustrial economy.²³ New York has thus been transformed from a relatively well-off, white blue collar city into a more economically divided, multiracial, white collar city.²⁴

These transformations had a strong impact on space and place. The magnificence of the Manhattan central business and shopping district and the resurgence of luxury residential areas may be juxtaposed to the massive decay of the city's public facilities and poor neighborhoods. Uses and places associated with the industrial city were abandoned. During the 1970s, the housing market collapsed in large parts of the Bronx, northern Manhattan, the Lower East Side, and Central Brooklyn, all concentrations of poor black and Latino populations, erasing all but a few lingering signs of the white working class cultures that once flourished in these neighborhoods. The South Bronx became a worldwide symbol of urban decay, while major city highways and bridges had to be closed because they were caving in.

Reinforced by the "new immigration" from the Caribbean, the growing black and Latino populations spread outward from the collapsing ghettos into former white working class neighborhoods like East Flatbush, prompting the remaining white ethnics to create defended enclaves on the city's periphery.²⁵ Meanwhile, the boom in central business office construction, the expansion of nonprofit institutions like hospitals and universities, and gentrification reshaped areas linked to the postindustrial economy. The expanding professional class created new demand for housing, leading to the construction of luxury condominiums, the conversion of manufacturing loft space in Manhattan, and gentrification of late nineteenth century, upper middle class brownstone neighborhoods.

New forms of social inequality thus interacted with the processes of neighborhood formation and group segregation to produce a paradoxical mix of splendor and decay. Between 1969 and 1975, decay and decline

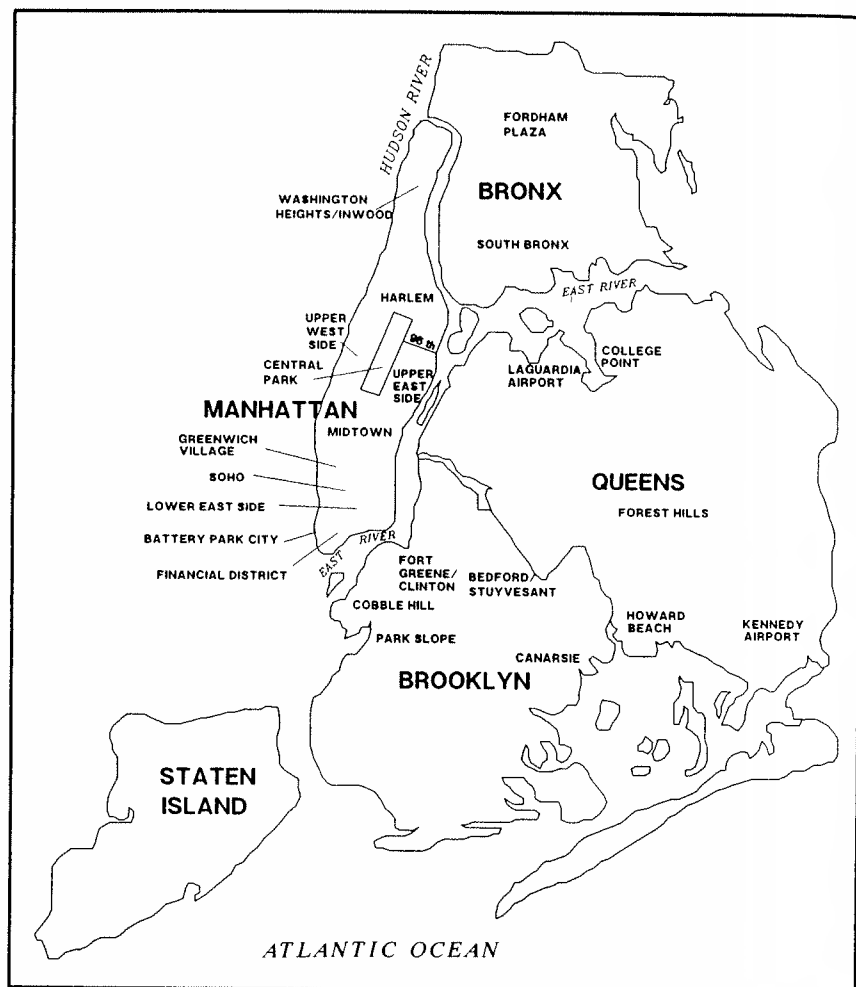
provided the predominant motif, especially in disinvested industrial areas, former white working class neighborhoods, and poor black and Latino ghettos. During the 1977–1987 boom, the white middle and upper middle class professional and managerial strata experienced a considerable growth in income. They fashioned their spaces not only in old upper class areas, but fueled the creation of new residential and consumption zones in former industrial areas like SoHo and in townhouse areas like the Upper West Side, Chelsea, Brooklyn Heights, and Park Slope.

The waning white ethnic, middle and lower middle class retreated to enclaves on the city's periphery, while the rising new immigrant lower middle class took their place. Immigrants have flowed into New York from parts of the world being penetrated by the forces of rapid change, ranging from the Caribbean and Latin America to China and other parts of Asia. Meanwhile, the increasing number of poor households, often single mothers and their children, lost market power relative to other groups and became increasingly restricted to the poorest quality housing.

These economic, social, and spatial changes embody the postindustrial transformation as it has occurred in one particular case. Inevitably, these changes have altered the calculus of political interests in New York City. They strengthened the economic and social ecologies of some interests. Core economic institutions like commercial banks, investment banks, corporate law firms, and real estate developers, for example, had the incentive, the means, and the structural and political position to gain government support for their development goals. The economic and fiscal crisis of the mid-1970s clearly made the political environment more receptive to their interests. But they were not the only rising constituency: the increasingly kaleidoscopic racial, ethnic, and gender division of labor also created many other less well organized constituencies.

Others interests were undermined. Most importantly, the descendants of the Irish, German, Italian, and Jewish immigrant workers of the latter half of the nineteenth century waned in number and became more conservative in the face of racial succession. Though Fiorello La Guardia broke ground for both groups in 1933, Italians and Jews did not rise to the top positions within the Democratic party until the 1950s; indeed, the first Jewish mayor was not elected until 1973.²⁶ But by the 1980s, however, white flight, the growth of the black and Latino populations, and the strength of the new immigration had already made non-Latino whites a minority in the population, if not yet among registered voters. Organizations ranging from the unions that had represented Jewish garment workers or Italian stevedores to the regular Democratic political clubs faced declining membership and weakening power.

The postindustrial transformation thus altered the raw ingredients

Figure I.1 Map of Places Cited

from which political power is fabricated in New York City. In the short run, the Koch administration was able to forge a political coalition based on the declining white electoral constituencies and the rising economic interests that endured for more than a decade. But tensions partly engendered by the policies of this coalition undermined it and opened the way to an alternative coalition based on rising electoral constituencies that ranged from native-born blacks and Puerto Ricans to Caribbean and Latino immigrants to liberal elements of the new white professional strata.

Dimensions of Polarization

Have the last two decades actually produced a New York composed of two separate and unequal cities, as the popular image would have it? If one could answer this question by looking at trends in income inequality and poverty, the answer would clearly be yes. But the dual city metaphor which the city's income polarization suggests to observers is gravely flawed as an analytic approach. The "two cities" of New York are not separate and distinct, but rather deeply intertwined products of the same underlying processes. Moreover, the complexity of inequality in New York defies simple distinctions between white and black, yuppies and the underclass, Manhattan and the other boroughs. Growing inequality is not the product, for example, of a widening gap between white and black incomes. But even if the dual city metaphor can be scientifically misleading and often rhetorical or ideological, it nevertheless challenges us to explore the dimensions of growing inequality and explain the sources of the tendencies toward polarization.

Income Inequality and Poverty

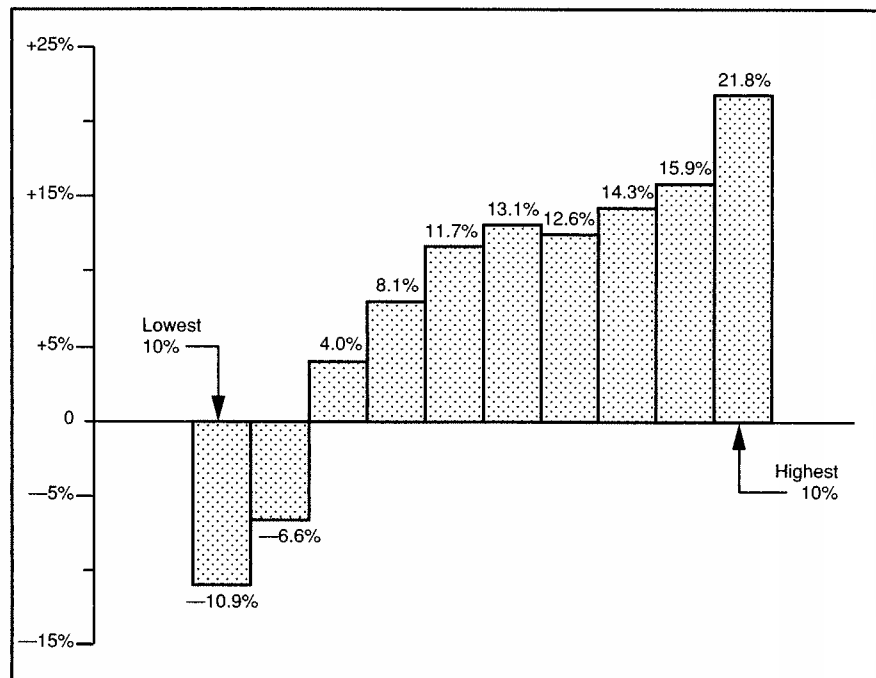
The 1977–1987 boom in New York City generated substantial gains in real income and wealth for many of its residents. Despite the halt to the growth in employment after 1987, earnings continued to rise. But Figure 1.2 shows that the distribution of these income gains was highly unequal across the different population deciles between 1977 and 1986.

For the bottom 20 percent of the city's households, conditions worsened in absolute as well as relative terms, while the top 10 percent of the population experienced a real income gain of over 20 percent. Although the national income distribution also became more unequal, New York City's trend was worse.²⁷ The ratio of total income received by the top tenth to that received by the bottom tenth increased from 14.5 to 19.5.²⁸ Put another way, the top tenth of the population gained almost a third of all income gains and the top 20 percent of the population gained half. Meanwhile, the bottom 20 percent lost not only relative to better-off people, but absolutely compared to what they had a decade earlier.

If prosperity for the upper fifth was one major reason for this growing inequality, the growth of poverty was the other. The total number of persons officially classified as poor climbed from 1.1 million in 1975 to 1.7 million in 1984 and remained at this level in 1987. The number of persons with incomes of less than 75 percent of the poverty level climbed even more steeply, from 560,000 to 1,100,000.²⁹

At least four mutually reinforcing factors contributed to this growth in

Figure I.2 Rates of Growth of Real Incomes, by Income Decile, New York City: 1977-1986 (1986 dollars) (percent change)



poverty: (1) the number of female-headed households with children grew about 15 percent over this period to almost 400,000 (accounting for 1,350,000 people); (2) the percentage of these households receiving public assistance and the real value of the basic welfare grant fell; (3) labor force participation rates for blacks and Latinos declined slightly during the 1980s, particularly for women; and (4) Latino families fared worse than other groups, and they became a larger proportion of the population.³⁰ Labor force participation rates are lower for all groups of workers in New York compared to other central cities and the nation, but the gaps are biggest for women, Latinos, and teenagers.³¹

The growth of persistent, extreme, and concentrated poverty has led some social scientists as well as more popular interpreters to embrace the idea of an "underclass" in New York City.³² Erol Ricketts and his colleagues have defined census tracts having large percentages of female-headed households, welfare families, high school dropouts, and adult men not in the labor force as underclass areas. They found that with less than 3 percent of the national population, New York City accounted for 19 percent of the census tracts so defined.³³

The Limitations of the Dual City Metaphor: Cross-cutting Distinctions

But can this pattern of growing inequality and worsening poverty be explained, or even illuminated, by the simple metaphor of a dual city or an underclass segregated from the opportunities enjoyed by an overclass? We think not. The mechanisms generating inequality are simply too complex, and the resulting fragmentation too great, to be captured by any simple dichotomy. As Sharpe and Wallock write,

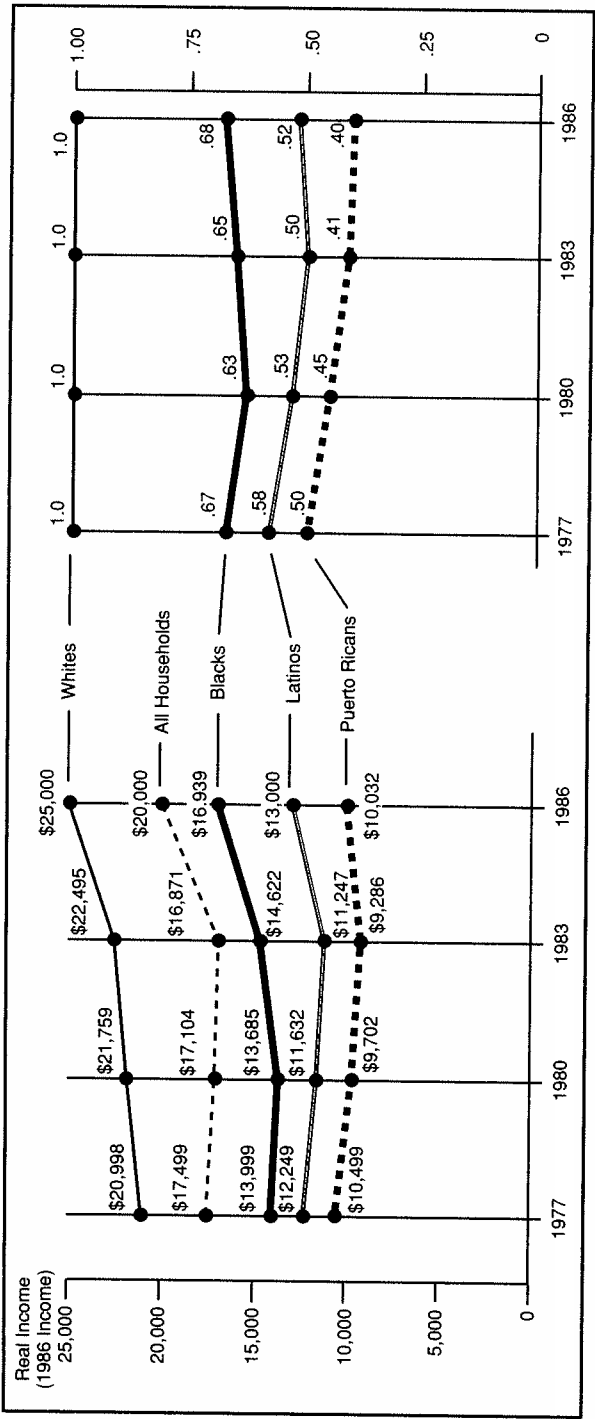
Besides lacking historical specificity, the two-cities metaphor is deceptively simplistic. [It] limits our comprehension not only of the social processes of advanced capitalism, but of its structural characteristics. The class, ethnic, and racial map of contemporary New York is vastly more complex than the metaphor allows.³⁴

We can fully understand the causes of contemporary urban inequality only by examining the social fabric in all its richness. We must explore how economic, cultural, and political forces intersect and interact to shape inequality. Mercer Sullivan's chapter on the economic functions of crime in poor neighborhoods and Saskia Sassen's discussion of the informal economy should warn us away from the idea that so-called underclass areas are isolated from the larger economy.

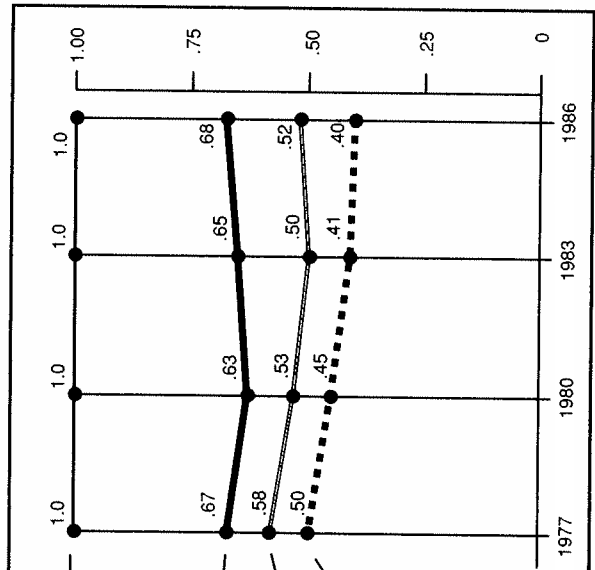
It is clear that such lines of social division as race, class, ethnicity, gender, and geography do not simply overlap and reinforce each other. As Bailey and Waldinger's chapter shows, income inequality cannot be summarized in a simple dichotomy between prospering white Manhattan corporate service professionals and a black and Latino underclass in the surrounding boroughs. Granted, the economic core is made up of mostly white, mostly male, owners, managers, and professionals, as Steven Brint's chapter shows. But subordinate or peripheral groups take on a kaleidoscopic variety, distinguished by labor force status, occupation, economic sector, race, national origin, gender, household form, community formation, and relation to the welfare state. Different groups face different constraints and opportunities, with different resources, and follow different strategies. Their situations are often ambiguous; their actions produce distinctly postindustrial cleavages.

The inadequacy of simple dichotomous distinctions can be demonstrated easily. For example, differences between whites and blacks do not explain growing income inequality. As Figure I.3 shows, though black median income fell slightly relative to whites' between 1977 and 1980, it recovered by 1986. Instead of lagging uniformly behind whites, many

**Figure I.3 Real Median Household Income,
by Racial and Ethnic Group:
New York City: 1977-1986
(1986 dollars)**



**Figure I.4 Real Median Household Income
as Proportion of White
Median Household Income,
by Racial and Ethnic Group:
New York City: 1977-1986
(1986 dollars)**



Source: For Figures I.1-I.4, Philip Weitzman, *Worlds Apart* (New York: Community Service Society, 1989), Figures 2, 3, and 6.

blacks gained ground. The inequality among blacks thus became greater. On the other hand, Latinos, particularly Puerto Ricans, lagged behind whites and blacks. Puerto Rican median real income fell fully one-fifth relative to whites over the decade, despite falling unemployment rates for Latinos. The chapter by Waldinger and Bailey suggests some of the specific mechanisms that may lie behind these patterns. Blacks were able to expand their access to jobs in government, social services, and a few corporate services, expanding the black middle class. Public service in particular provided a path for upward mobility in income and occupation. Latinos, by contrast, were concentrated in sectors like durable manufacturing that have declined most rapidly in recent decades.

Just as race intersects with income inequality in complex ways, so does ethnicity. The terms *minority*, *black*, and *Latino* have become misleading abstractions. The so-called new immigration has overwhelmed these categories, dividing them by ethnicity and nativity.³⁵ Waldinger's work indicates that the foreign-born segment of the black population, some 15 percent of the total, seem to be doing better on average than their native-born counterparts.³⁶ West Indian, Latin American, and Asian immigration have created vibrant new neighborhoods in Brooklyn, Queens, and the Bronx—a fact incompatible with the notion that class, race, and space intersect only in the form of white prosperity and underclass ghettos. Mitchell Moss and Sarah Ludwig show how this complexity is reflected in the resurgence of immigrant newspapers.

Gender also crosscuts the categories of race and class. On the one hand, as Epstein and Duncombe show in their chapter, the postindustrial labor force is becoming more feminized and women's labor force participation has been rising. On the other, Susser's chapter suggests that traditional mothering is declining. Yet the number of female-headed households has risen and constitutes a major source of poverty and inequality; the low rate of female labor force participation in New York relative to other cities is noteworthy. On issues of work and family, divisions have emerged not only between men and women, with the latter gaining slowly on the former, but among women.

Economic sector also complicates patterns of inequality. The divergence between growing sectors, like investment banking and the social services, and declining sectors, like apparel manufacturing, is clearly delineated in Drennan's opening chapter. Those associated with the former have benefited: those with the latter have suffered. Brecher and Horton's chapter on the public sector shows that this growing sector has its own patterns of development which have simultaneously reinforced market trends while providing benefits to the city's employees and contractors. Even the declining sectors are complex. Sassen shows how informal activ-

ities have arisen within declining sectors as more formal and legitimate firms fail. Sullivan also shows how some people have profited by decline. Relations between growing and declining sectors of the economy, while competitive and sometimes antagonistic, have symbiotic aspects. The flight of workers with other choices out of declining sectors has been so rapid as to create opportunities for those, like Latino immigrants, with few choices.

Nor can the differences between "winners" and "losers" in New York City's economy be explained, as Kasarda and others have suggested, by a growing disparity between the education levels required by the jobs in growing sectors of New York's economy and the educational attainments of its black population.³⁷ The growth of the services has continued demand for low-skilled, low-education labor. Moreover, as Bailey and Wal-dinger show, many blacks have upgraded their occupational status. Meanwhile, blacks remain underrepresented in certain growing sectors, such as investment banking, and indeed are restricted to lower paid parts of sectors where their share is rising, despite the substantial rise of black educational attainment rates since 1970. These patterns cannot be explained by the mismatch hypothesis, but instead suggest continuing racial discrimination.³⁸

From the Dual City to a More Complex Social Dynamic

Spurred by global restructuring, the postindustrial transformation of New York City has had complicated effects on that city which notions like the dual city or the underclass not only do not capture, but obscure. But despite these flaws, the dual city metaphor has the virtue of directing our attention to the new inequalities that define the postindustrial city, just as depictions of "How the Other Half Lives" defined the emerging industrial city a century ago. The popular embrace of the dual city image urges us to give this phenomenon analytic, as well as political, attention. If simple dichotomies fail to capture the complexity of inequality or the sources of tendencies toward polarization, and if they lead us away from the processes that bind both ends of the polarization together, then how can this complexity best be synthesized? The following chapters provide an interesting theoretical lead about how we might understand the complexity and subtlety of this interaction in New York City.

Many of the chapters suggest that economic restructuring and the new racial/ethnic/gender division of labor have enabled the upper professionals of the corporate sector to form an organizational nucleus for a wider network of middle class managers and professionals which spreads

from the economy's corporate sector into its nonprofit and public services. This largely white, disproportionately male stratum has benefited directly and disproportionately from the development of New York City's corporate economy. Certainly, the economic boom between 1977 and 1987 gave great impetus to this group which, until 1989, provided the core constituency for the dominant electoral coalition. Much of what happens in arenas ranging from politics and the housing market to patterns of child rearing and even crime reflects the interests, values, and lifestyles of this stratum.

But economic restructuring and the new racial/ethnic/gender division of labor have placed the remaining social strata in increasingly diverse positions with a multiplicity of interests and values, divided by race, ethnicity, nativity, and gender. Local society is thus increasingly fragmented, hindering potential alliances among these groups and providing ample latitude for the political establishment to capitalize upon differences among them. As a result, cultural, economic, and economic polarization in New York takes the form of a contrast between the organized core of professionals and managers and a disorganized periphery that ranges from Chinese or Dominican women garment workers or restaurant workers through native-born black male civil service professionals to West Indian building tradesmen, and even to white women clerical workers in the central business district.

The chapters in this volume illustrate ways that this differential capacity for social organization is expressed and reinforced in the cultural, spatial, and political structure of New York. In short, the forces that are transforming New York favor the coherent organization of the economic core and tend to disorganize groups outside this core. As with any social construction, this pattern has developed its own contradictions, which came to a head in the mayoral elections of the fall of 1989. The visible social brutality expressed in the image of the dual city, and the cynicism with which former Mayor Edward I. Koch and other leaders appeared to sanction it, generated a crisis of political legitimacy. His governing coalition was based on an alliance between beneficiaries of the boom in real estate and the financial services and the organized public sector producer interests, particularly the regular Democratic party leadership. The collapse of this electoral coalition in the 1989 Democratic primary and Republican Rudolph Giuliani's narrow failure to regroup the economically and socially dominant interests mark the limits of producer-interest politics as an instrument for managing the social tensions of such a dynamic and complex city. The future course of the restructuring of New York will depend significantly on whether Mayor David N. Dinkins can construct a govern-

ing coalition able and willing to overcome, rather than embrace, these divisive tendencies.

Notes

1. Hone, Philip, *Diary 1828-1851*, Tuckerman, Bayard, ed. (New York: Dodd, Mead, 1899), vol. 2, pp. 293-294, as cited in Buckley, Peter G., "Culture, Class, and Place in Antebellum New York," in Mollenkopf, J., ed., *Power, Culture, and Place: Essays on New York City* (New York: Russell Sage Foundation, 1988), p. 30.
2. Lucid, Robert F., ed., *The Journal of Richard Henry Dana, Jr.* (Cambridge: Belknap Press, 1968), vol. 1, p. 119, as cited in Buckley, "Culture, Class, and Place," p. 28; Lindstrom, Diane, "Economic Structure, Demographic Change, and Income Inequality in Antebellum New York," in Mollenkopf, *Power, Culture, and Place*, shows clearly that then, as now, rapid economic growth was accompanied by rising income inequality in New York.
3. Sharpe, William, and Leonard Wallock, "Tales of Two Cities: Gentrification and Displacement in Contemporary New York," in Campbell, Mary B., and Mark Rollins, eds., *Begetting Images: Studies in the Art and Science of Symbol Production* (New York: Peter Lang, 1989), pp. 169-199, trace this theme in contemporary fiction set in New York.
4. *New York Ascendant*, The Report of the Commission on the Year 2000 (New York: Harper & Row, 1988), pp. 51, 53.
5. Stone, Michael, "What Really Happened in Central Park: The Night of the Jogger-and the Crisis of New York," *New York* (August 14, 1989): 30-43, calls the event a "psychic turning point" for the city. For background on the Howard Beach and Bensonhurst attacks, see Kornblum, William, and James Beshers, "White Ethnicity: Ecological Dimensions," in Mollenkopf, *Power, Culture, and Place*, pp. 201-221.
6. Despite a decade of rising real incomes and economic growth, a WNBC/*New York Times* poll of city residents on June 11-16, 1989, reported that 48 percent felt that conditions were getting worse in the city compared to five years earlier, 24 percent felt they were the same; only 22 percent thought conditions had improved. Some 37 percent said race relations had worsened in the last year; only 12 percent saw improvement.
7. Two quite different statements of the view that manufacturing remains central to the long-term prospects of the economy are Cohen, Stephen S., and John Zysman, *Manufacturing Matters: The Myth of the Post-industrial Economy* (New York: Basic Books, 1987); and Hicks, Donald A., *Advanced Industrial Development* (Boston: Oelgeschlager, Gunn, and Hain, 1985). Hicks is more sympathetic to the concept of postindustrialism than are Cohen and Zysman.

8. See Sassen, Saskia, *The Mobility of Labor and Capital* (Cambridge: Cambridge University Press, 1988).
9. Regional Plan Association, "New York in the Global Economy: Studying the Facts and the Issues." Presented to World Association of Major Metropolises meeting, Mexico City, April 1987, p. 1.
10. Drennan, Matthew, "Local Economy and Local Revenues," in Brecher, Charles, and Raymond D. Horton, eds., *Setting Municipal Priorities, 1988* (New York: New York University Press, 1987), p. 28.
11. Noyelle, Thierry, "The Future of New York as a Financial Center." Paper prepared for conference on future shocks to New York, Citizen's Budget Commission, January 24, 1989, Table 6. See also Noyelle, Thierry, ed., *New York's Financial Markets* (Boulder: Westview Press, 1989).
12. Noyelle, "Future," Table 5.
13. Noyelle, "Future," Table 1.
14. Drennan, "Local Economy," pp. 33-34.
15. Ibid. See also Noyelle, Thierry, and Anna Dutka, *International Trade in Business Services: Accounting, Advertising, Law and Management Consulting* (Cambridge: Ballinger, 1988). Recent mergers have reduced the "big eight" to the "big six," but have not changed New York's dominance.
16. Mollenkopf, John, "The Corporate Legal Services Industry," *New York Affairs* 9,2 (1985): 34-49.
17. Drennan, Matthew, "Information Intensive Industries in Metropolitan Areas of the United States," *Environment and Planning A* 21 (1989), Tables 6 and 7.
18. Regional Plan Association, "New York in the Global Economy". More generally, see Glickman, Norman, "International Trade, Capital Mobility, and Economic Growth: Some Implications for American Cities and Regions in the 1980s," in Hicks, Donald, and Norman Glickman, eds., *Transition to the 21st Century* (Greenwich, CT: JAI Press, 1983), 205-240; Noyelle, Thierry, and Tom Stanback, *The Economic Transformation of American Cities* (Totowa, NJ: Rowman & Allanheld, 1983); and Vogel, David, "New York, London, and Tokyo: The Future of New York as a Global and National Financial Center," in Shefter, Martin, ed., *Capital of the American Century?* (forthcoming).
19. Noyelle and Peace, "Information Industries," pp. 10-11; Conservation of Human Resources, *The Corporate Headquarter Complex in New York City* (New York: Conservation of Human Resources, 1977); New York State Department of Labor, "A Quarter Century of Changes in Employment Levels and Industrial Mix" (Bureau of Labor Market Information, 1984), p. 38; New York State Department of Labor, New York City Office, *Annual Labor Area Report, Fiscal Year 1989* (July 1989), p. 2. Less than half the remaining manufacturing jobs are actually production workers; the rest are front office personnel in manufacturing firms.
20. See Waldinger, Roger, "Changing Ladders and Musical Chairs: Ethnicity and Opportunity in Post-industrial New York," *Politics and Society* 15,4

- (1986-87): 369-402, and the chapter by Bailey and Waldinger in this book for discussions of the new ethnic division of labor.
21. City of New York, Human Resources Administration, Office of Policy and Program Development, *Dependency*, Vol. 5 (October 1989), Table 3. See also Tobier, Emanuel, *The Changing Face of Poverty: Trends in New York City's Population in Poverty 1960-1990* (New York: Community Service Society of New York, 1984).
 22. City of New York, Human Resources Administration, Office of Policy and Program Development, *Dependency* (June 1988); U.S. Department of Labor, Bureau of Labor Statistics, New York Regional Office, "The Current Population Survey as an Economic Indicator for New York City," Table 6.
 23. See Stafford, Walter, *Closed Labor Markets* (New York: Community Service Society, 1987).
 24. For a discussion of these trends, see Mollenkopf, "The Postindustrial Transformation of the Political Order in New York City," in Mollenkopf, *Power, Culture, and Place*.
 25. For a discussion of this process in Queens, see Kornblum and Beshers, "White Ethnicity."
 26. La Guardia's mother was Jewish and he spoke Yiddish, but his identity was more Italian than Jewish. La Guardia was a Republican fusion candidate. Vincent Impellitteri was the first Italian Democrat to be elected, in 1950. Mayor Abraham Beame, a product of the Jewish ascendancy in Democratic party politics, became mayor of New York in 1973.
 27. For example, between 1975 and 1987, the percentage of aggregate income received by New York City families in the lowest fifth of the income distribution fell from 5.1 to 3.0 percent, while that of the top fifth rose from 43.8 to 49.2 percent. Only the top fifth gained share. In the U.S., the bottom fifth fell less, from 5.5 to 4.6 percent, and the top fifth gained less, from 40.6 to 42.9 percent, and both the top two fifths gained share. Thus, the family income distribution in New York City worsened considerably more than in the U.S. as a whole. See City of New York, Human Resources Administration, Office of Policy and Program Development, *Dependency*, Vol. 5 (October 1989), Table 2, p. 8. New York's poor also lost more ground in absolute as well as relative terms. In contrast to New York, U.S. House of Representatives, Committee on Ways and Means, "Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means," 1988 edition (Washington, DC: U.S. Government Printing Office, March 24, 1988), pp. 740-744, shows that the income of the bottom 20 percent of families and individuals in the U.S. declined only 1 percent in real terms between 1978 and 1986, while that of the top 20 percent climbed 12 percent. See also Harrison, Bennett, and Barry Bluestone, *The Great U-Turn: Corporate Restructuring and the Polarizing of America* (New York: Basic Books, 1988).
 28. Weitzman, Philip, *Worlds Apart* (New York: Community Service Society, 1989), Chap. 2, Fig. 5.

29. City of New York, HRA, *Dependency* (1989), Table 11A, 11C.
30. City of New York, HRA, *Dependency* (1989), Table 9A gives the percentage of female-headed households and their rate of public assistance; New York State Department of Labor, New York City Office, *Annual Labor Area Report*, Fiscal Year 1985, Table 7, and Fiscal Year 1989, Table 8, give labor force participation rates for 1975 through 1987. Rosenberg, Terry J., *Poverty in New York 1985-1988: The Crisis Continues* (New York: Community Services Society, 1989), analyzes labor force participation rates by group for the 1980s.
31. Bureau of Labor Statistics, "Current Population Survey," Table 10.
32. For a journalistic account of New York, see Auletta, Ken, *The Underclass* (New York: Random House, 1982). The academic study of the underclass has expanded rapidly in the wake of Wilson, William J., *The Truly Disadvantaged* (Chicago: University of Chicago Press, 1987).
33. Ricketts, Erol, and Isabel Sawhill, "Defining and Measuring the Underclass," *Journal of Policy Analysis and Management* 7,2 (1988): 316-325; Ricketts, Erol, and Ronald Mincy, "Growth of the Underclass 1970-1980" (unpublished paper, The Urban Institute, February 1988).
34. Sharpe and Wallock, "Tales of Two Cities." See also Marcuse, Peter, "'Dual City': A Muddy Metaphor for a Quartered City" *International Journal of Urban and Regional Research* 13,4 (December 1989): 697-708; and Steinberg, Stephen, "The Underclass: A Case of Color Blindness," *New Politics* (Fall 1989). "The reality," Marcuse writes, "is neither one of duality or of arbitrary plurality; there are definable, structural differences, along definable lines of cleavage, with definable interrelationships, among groups and the individuals that belong to them. The task of defining these differences is hardly an easy one. The 'dual city' metaphor hinders the task."
35. Waldinger, Roger, "Race and Ethnicity," in Brecher, Charles, and Raymond D. Horton, eds., *Setting Municipal Priorities*, 1990 (New York: New York University Press, 1989), pp. 50-79.
36. Waldinger, Roger, "Changing Ladders and Musical Chairs"; Farley, Reynolds, and Walter Allen, *The Color Line and the Quality of Life in America* (New York: Russell Sage Foundation, 1987) Chapter 12, "Race, Ancestry, and Socioeconomic Status: Are West Indian Blacks More Successful?" argues that, controlling for labor force status and experience, occupation, and education, immigrant blacks earned about what native-born blacks did. However, these controls remove a number of important differences between the two groups.
37. For a recent statement, see Kasarda, John D., "Urban Industrial Transition and the Underclass," *The Annals of the American Academy of Political and Social Science* 501 (January 1989): 26-47.
38. Bailey, Thomas, "Black Employment Opportunities," in Brecher and Horton, eds., *Setting Municipal Priorities*, 1990, pp. 80-109. Bailey shows that the discriminatory gap in earnings, controlling for education, did not decrease for black men and increased substantially for black women. See also Stafford, Walter, *Closed Labor Markets: Underrepresentation of Blacks, Hispanics, and*

Women in New York City's Core Industries (New York: Community Service Society, 1985); Stafford, Walter W., with Edwin Dei, *Employment Segmentation in New York City Municipal Agencies* (New York: Community Service Society, 1989); and Fainstein, Norman I., "The Underclass/Mismatch Hypothesis as an Explanation for Black Economic Deprivation," *Politics & Society* 15,4 (1986-1987): 403-451.