Chapter 11

Beyond the Wasteland: A Report from Detroit

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Introduction: Detroit’s Long Economic Crisis

The current economic crisis has jolted industrial towns throughout the United States. The media quickly descended on Detroit, Michigan, in order to paint a portrait of an industry in crisis and a city that continues to be ravaged by industrial decline. A sampling of news headlines captures the media representation of Detroit:

“Dead End in Detroit”
“Blue-Collar Workers Hanging on by Thread”
“Motown Blues: What Next for Detroit?”
“Detroit is Facing Scary New Normality”
“America’s Slow Ground Zero: Detroit, Urban Ghettos and Terrifying Unemployment”

In 2009, Time, Inc., the parent company of Time, Fortune, Sports Illustrated and Money magazines, announced a year-long focus on Detroit. The corporation even purchased a house in Detroit for its reporters to use as a base that year. The rationale given by the editor-in-chief was:

Because we believe that Detroit right now is a great American story. No city has had more influence on the country’s economic and social evolution. Detroit was the birthplace of both the industrial age and the nation’s middle class, and the city’s rise and fall—and struggle to rise again—are a window into the challenges facing all of modern America. From urban planning to the crisis of manufacturing, from the lingering role of race and class in our society to the struggle for
better health care and education, it’s all happening at its most extreme in the Motor City. (Huey 2009)

Without a doubt the city of Detroit is at the epicenter of the economic crisis. Press reports seek to tell a story of a battered economy. Too often they conflate the identity of Detroit residents with that of the automotive corporations that for many years dominated the economic landscape. But there is more to the story of the declining fortunes of a once great American city. The large-scale abandonment of Detroit by transnational corporate capital opens up opportunities for re-crafting economic and social relations distinctly different from those shaped by the dominant economic logics of profitability, growth and competition.

The city of Detroit’s population of 900,000 is down from over 1.2 million in 1980. Currently, the official unemployment rate stands at nearly 23 percent. Including discouraged workers and part-time workers seeking full-time work, that figure rises to nearly 37 percent. The seeds of the region’s economic decline were planted at the time of the golden age of automotive hegemony. Heavy reliance on the production of consumer durables left the Michigan economy vulnerable to minor shifts in consumer demand. Throughout the second half of the twentieth century, the auto industry largely determined the fortunes of the regional economy. However, a series of transformations shifted production and jobs away from Detroit as capital began to adjust to the post-war capital-labor accord first by decentralizing production—opening new assembly facilities outside Detroit—and then by introducing automated technology in the 1950s and 1960s (Sugrue 2004, Meyer 2002, Hounshell 1984). In the 1970s and 1980s this spatial transformation of automobile production took the form of increased competition from Japanese non-unionized transplant facilities, which were opened in mostly rural locations in the Midwest and increasingly in southern states. Domestic manufacturers, in turn, built upon their earlier moves into the southern states, and a veritable cluster of assembly and parts producers emerged along the north-south routes of I-75 and I-65 (Rubenstein 2001, Klier and Rubenstein 2009). This spatial re-alignment of auto production away from Detroit, together with more recent global shifts in auto-related foreign direct investment toward the emerging markets of China and India, illustrate the ways in which capital mobility seeks a “spatial fix” in response to limits on the expansion of profitability (Harvey 1982, 2001). Discussion of the spatial fix focuses attention on the dynamic nature of capital flows toward new spaces of value creation. Yet attention also needs