

The disadvantaged: *Working class in the post-industrial city*

A Comparative Analysis of Baltimore and Xi'an

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Abstract

Baltimore and Xi'an, the two cities on opposite ends of the globe, share similarities in many ways: they were both once important industrial cities that thrived; they are both facing the pressures of traditional industrial decline and urban economic transformation (although not at the same time). More importantly, people tend to see only the favorable aspects of the transformation and ignore the pain it conceals. In Baltimore, this manifests itself in the stark contrast between the transformed inner harbor with its booming service sector and the surrounding poor neighborhoods, and the low-income issues which is masked by the booming economic activity; while in Xi'an, a similar scenario may be playing out. As a comparative study between the two cities, this paper focuses on the survival of the working class during Baltimore's post-industrial renaissance and uses it to evaluate the efforts of Baltimore's renaissance project in raising income levels and narrowing class gaps. Then, the experience and lessons of Baltimore are compared with the post-industrial transformation of Xi'an to analyze how Xi'an should protect the survival rights of its working class while achieving urban transformation.

I. Background: The Post-industrial Transformation

a) Baltimore

Before the de-industrialization process in the 1970s gave rise to the “Rust Belt”, Baltimore, like many other cities, had a large population of workers who formed various worker communities. And then, in its post-industrial renaissance, Baltimore set its sights on the service sector, transformed the city’s Inner Harbor from a declining industrial warehouse area to a tourist-based service center through a series of government-private partnership developments. Baltimore, a former port and industrial city, seemed to have transformed itself into a model for urban renaissance among the Rust Belt (Vicino, 2008).

But behind the seemingly glamorous renaissance lie several potential problems. For example, the limited number of jobs in the service sector brought by the Inner Harbor renaissance has not raised the income level of Baltimore as a whole; at the same time, wages in the service sector are low, and workers with specialized skills can only perform simple jobs while earning less money than they used to; in addition, Baltimore’s still obvious racial segregation in the housing market also makes this renaissance benefit a limited number of people. Given these constraints, the Inner Harbor’s renaissance may bring a more complex reality than we think, to Baltimore (Levine, 1987).

b) Xi’an

As the context city in this study, Xi’an is similar to Baltimore in some respects but very different in others. Historically, Xi’an was the industrial center of Northwest China from the 1950s to the late 1990s. The large sector of heavy industry brought it a large working class and created a distinctive urban landscape. As it entered the 20th century, the priority of industry diminished for several reasons, and working-class incomes plummeted for a time. Then, similar to Baltimore, Xi’an turned its attention to the tourism industry, and relying on its status as a historical capital, the city made a major effort to develop its tourism industry in the first decade of the 20th century, hoping to enrich the city’s economy and shed its monolithic image as an industrial city. At the same time, the city’s remaining industrial sector began to transform, with a significant reduction of traditional heavy industry and a rise of new high-tech ones. In this context, old urban landscapes - such as workers’ neighborhoods, working unit compounds, and special collective living cultures - are being challenged. More importantly, once the heavy industry sector shrinks further in the future, it is still unknown how the survival

of the workers' community will be further challenged.

Thus, we can see that Baltimore and Xi'an share similar industrial backgrounds, large worker populations, and similar policies of transition to tourism and services. However, the two cities also have many differences. Baltimore's transition was earlier, and it also faced issues such as racial segregation that Xi'an did not. But even given the different political and social background, what we can learn from Baltimore's transformation and urban renaissance can still provide a model for the development of Xi'an in the future.

II. Urban Renewal: Baltimore's Choice

As mentioned above, Baltimore has revived its urban core through a partnership between government and private sector for service industry development. In this section we will analyze in depth the reasons and results of Baltimore's doing so.

Baltimore's urban renaissance refers to a series of government and private sector initiatives that began in the 1950s and continued to the present, which reached a climax between the 1970s and 1980s. This initiative was implemented by the framework constructed by the quasi-public development organizations such as Greater Baltimore Committee (GBC), and through which investment was introduced under the principle of neoliberalism and liberal corporatism to realize the reconstruction and development of Baltimore, especially its central area (Dannes, 2003; Giloth, 1990; Levine, 1987).

The Baltimore Urban Renaissance Movement is the result of a combination of historical background, unique events, and personal ambitions. First, the historical context of the general decline of manufacturing in the 1950s and 1960s and the tendency to replace traditional shipping ports with large container freighters led to the rapid suburbanization of the middle class and the rapid decline of downtown (Dannes, 2003; Giloth, 1990; Levine, 1987). At the same time, the federal public funds such as UDAG and CDBG which promoted the revitalization of the downtown, together with emerging liberal market ideas, provided a certain degree of support for the initiative of renaissance (Dannes, 2003; Levine, 1987). In addition, the mayor Schaefer gave a vigorous promotion to the enterprise-centered development model, which included the establishment of some quasi-public development groups involving private capital and government forces such as GBC. All of these had enabled the renaissance of Baltimore to embark on a path of neoliberalism and liberal corporatism.

This kind of liberalism and liberal corporatism is the core feature of Baltimore's

renaissance. Specifically, the city government and its controllers changed their identities from corporate supervisors to service providers, and used public subsidies and incentives to attract a series of private capital to invest in downtown Baltimore to achieve reconstruction (Levine, 1987). In this process, organizations such as GBC, as operating entities that had combined the authorization of the government (mainly land-related powers) but were exempt from public supervision to a certain extent, had successfully introduced non-manufacturing industries (mostly tertiary industries) such as conference services and tourism in areas such as Inner Harbor, and therefore significantly (at least superficially) restored the prosperity of this area (Levine, 1987).

III. Behind the Revival: Baltimore's Inequality Problem

However, it is this same neoliberal character that has led to controversy over this redevelopment process. Proponents of this approach argue that the redevelopment of downtown achieves a shift in the city's economy from manufacturing to services, which helps improve the local investment climate, create jobs, and spur development in the surrounding area (Levine, 1987). Opponents argue that this redevelopment process deepens inequities and low-income problems in the city and increases the marginalization of certain groups.

First, some scholars have raised objections. Levine, in 1987, critiqued the one-sidedness of this approach to redevelopment and the gross inequities it creates in a scathing article. In short, Levine believes that the redevelopment of the city center based on the tertiary industry had not solved the unemployment and low-income problems of Baltimore as a whole and prevented its decline. He pointed out that since most of the development projects conducted in the city center were dominated by private capital, and their investment preferences made them out of touch with the broader social and public utilities in the city, workers who were unemployed due to the decline in the manufacturing industry cannot get their positions in the emerging service industries. Meanwhile the so-called spillover effect was also minimal. Therefore, the ultimate beneficiaries were actually "developers, suburban professionals and back-to the city gentry" (Levine, 1987). Dannes also pointed out in one of his articles that the renewed prosperity of the city center attracted commercial power from other areas and led to further decline in the peripheral, which was characterized by a significant increase in poverty, crime and housing problems (Dannes, 2003). While Berkowitz, a staff member from the Baltimore Economic Development Corporation, pushed back against Levine's article, noting that the city had indeed undertaken a series of projects in the urban core to address housing, jobs, and community revitalization for low-income groups, he also

acknowledged that such efforts seem to have struggled against the backdrop of downtown decay and deindustrialization (Berkowitz, 1987).

When we focus on Baltimore's working class, we are able to validate these claims to some extent. First are those groups of traditional workers who have been deprived of jobs by the decline of manufacturing. Since the 1970s and 1980s, factory jobs in the surrounding areas of the Baltimore machine have been rapidly disappearing, replaced by an increase in service sector jobs in finance and real estate (Clark, 1991). In a report in the anthropological journal *SAPIENS*, we were able to get a glimpse of the attitudes of these former workers toward what they had experienced. Most of them were laid off from their factories during the recession of the 1960s and 1970s and subsequently sought different means of earning a living in order to survive. Their memories of the factories are a mix of love and hate: the manufacturing jobs in the factories did provide them with higher wages and more stable employment, but at the same time, the pollution problems caused by the factories made some of them miserable. Some of them want to see manufacturing revived, while others want it to be consigned to the dustbin of history (Ahmann, 2019). While they have mixed feelings about the past, several things are certain: first, the factory experience is not as "great" as described in "Make America Great Again"; second, they are no better off in the current economic environment than they were when they worked in manufacturing; third, their desire for a resurgence in manufacturing is more a nostalgia for the centrality of manufacturing workers in the economy, the high wages they earned, and the strong social bonds they created - which is being rapidly marginalized by economic development today (Durr, 2003).

This nostalgia for the high wages of traditional industry echoes several surveys that point to the poor employment environment in the Inner Harbor. In its report published in 2011, the labor rights organization NESRI noted that Baltimore's Inner Harbor, despite its thriving tourism and service economy, is particularly deficient in safeguarding the rights of service workers due to its private sector-led development attributes. This means that even when workers in those industries are able to compete for a service industry job in the Inner Harbor, they earn wages far below those of the manufacturing sector and even below the legal minimum wage requirement (Workers, 2011).

In sum, the clear fact before us is that Baltimore's Inner Harbor renaissance has not created as many jobs and provided higher incomes to close the wealth gap across Baltimore as it promised. Instead, it has not addressed the unemployment problem created by the manufacturing recession, while at the same time reinforcing the wealth

gap in Baltimore by lowering wages. While some literature notes that this problem is particularly acute among the black community (Spears, 2017; Clark, 1991), it is clear that this is not first and foremost a racial issue, but rather about the overall transformation and development of the economy.

IV: The Best Path: How to Develop in The Post-Industrial Era

So how should Baltimore's economic transformation address the gap between rich and poor? How can Baltimore's experience be used to inform the future transformation of Xi'an City? This will be the topic of discussion in this chapter.

First, some scholars and think tanks have pointed out the importance of government intervention and social monitoring, and Levine, in his article, suggests solutions that government intervention can help Baltimore choose a better development direction, establish a democratized development process, and create mechanisms to link downtown development to the welfare of low- and middle-income groups, etc. (Levine, 1987). Giloth's study also points out that in Baltimore Giloth's research also suggests that when public-private redevelopment emerged as a "social consensus" in Baltimore, the voices of community organizations may have been significantly silenced by internal conflicts (Giloth, 1990). To build a true social consensus, it is clear that decisions cannot be made solely by government-backed private capital, but rather by bringing in broader social participation and regulatory forces. At a larger level, this implies the need for some improvements in the neoliberal and liberal corporatist models of urban development.

Alternatively, some more macro-level analyses point out that to close the gap between rich and poor in Baltimore, its economic transformation must change its goals. In short, the service sector, with its large number of low-income jobs, is not the best choice, while manufacturing and export-oriented economy, with its emphasis on innovation, can bring more jobs, higher income levels, and a better working environment than the service sector (Vey, 2012).

V: Comparative Study: How Xi'an is Doing

Now let's turn our attention to Xi'an. We see that Xi'an's approach to economic transformation has circumvented Baltimore's problems in some ways. For example, while Xi'an emphasizes the development of services and tourism, it has not ended its investment in transforming and upgrading its manufacturing sector. By encouraging advanced industries such as electronic circuits and aerospace machinery, Xi'an's

manufacturing sector is gradually being transformed. This means that its manufacturing industry not only has the potential to create a large number of jobs, but also to attract talent from outside the city, which in turn strengthens the city as a whole. At the same time, due to China's special urban-rural dichotomy, those working in the service sector are often not locals of the city, but migrant workers from rural areas. This suggests that the income patterns of residents in the two cities are very different.

But there are other aspects that Xi'an should learn from the Baltimore example. The first is the issue of caring for the original group of workers. In the 1990s, a series of state-owned enterprise reforms and economic marketization led to the creation of a large group of laid-off workers in China. Many of these workers came from the national movement of the 1960s to "support the construction of the third line". In the wave of marketization, even with the rapid growth of other economic sectors, these skilled workers were unable to adapt to the new economic environment due to their education level and geographical constraints and faced a series of problems such as unemployment and poverty. Even though this phenomenon gradually improved later, to this day, these groups of workers still seem like the outcasts of the times. They are out of touch with the times, their circle of life is fixed among their fellow workers back then, while most of their children have left the traditional manufacturing industry. Although here we do not see as serious a problem of class segregation as in Baltimore, it is something the city needs to think about in terms of how to adapt this group to the rapidly changing environment of the urban economy.

Second, another issue worth noting is that while service workers are not always locals in Xi'an, their rights should also be taken seriously. To some extent, this relates to the issue of narrowing the income gap between urban and rural areas. Although working in the service sector in the city can bring them higher incomes compared to agricultural activities, there is still a considerable gap between their income levels and those of the average city resident. In China, this problem is often referred to as rural-urban "transfusion". To achieve greater equity and reduce the gap between rich and poor, it is important to consider the rights of this group in the city.

VI. Conclusion

What can be seen is that Baltimore's urban renewal program is ostensibly a good choice - at least it has succeeded in transforming Baltimore's urban core into a thriving tourist destination and service center. In the process, however, Baltimore has failed to address the livelihoods of its working class - the renaissance of the Inner Harbor has not only done little to raise the income levels of the working class, but has also somewhat

marginalized them, increasing the pressure on low-income groups and widening the gap between rich and poor in a seemingly prosperous city. According to existing study, the solution to this problem is, on the one hand, to establish better government intervention and social oversight measures so that private sector development can benefit low-income groups while increasing their voice in urban life. On the other hand, Baltimore should avoid developing only services such as tourism, finance, and conferences, and instead develop economic sectors that can benefit larger social groups, such as advanced manufacturing, medical industries, and the establishment of an export-oriented economy.

Comparing Baltimore's example with the economic transformation Xi'an is undergoing, I am pleased to see that Xi'an has avoided the problem in some ways, such as developing diversified economic sectors and the placing strong government intervention on public affairs. However, in areas such as protecting the rights of the original workers, increasing the income of the service sector population who migrate to work, and reducing the urban-rural divide, Xi'an should learn from the Baltimore case and make the transformation and development focused on the benefit of more people.

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