Deindustrialization's Long Shadow

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It has been 50 years since the global recession of 1973 significantly accelerated the process of deindustrialization. Since then, deindustrialization has fundamentally remade the economies of the global North, redefined urban design, and restructured work, society, community institutions and social life itself (Hamnett, 2003; McQuarrie, 2017; Strangleman & Rhodes, 2014). Although the term deindustrialization was initially coined as part of the Allied response to Germany as they stripped it of its industrial power (Cowie & Heathcott, 2003a), it was not until the 1970s that the term gained widespread use as factories throughout the global North began to be shuttered in increasing numbers. An estimated thirty-two to thirty-eight million jobs disappeared in the US during the 1970s as 30 percent of manufacturing plants closed (Bluestone & Harrison, 1982). In the United States, these changes were driven by companies seeking to improve their competitive advantage, initially during the post-war years through cheaper labour and weaker employee and environmental regulations as companies moved from the northern states with stronger unions, to the southern states with weaker labour and environmental protections. But by the 1970s and 80s, companies were moving production to the global South (Stein, 2019). Concurrently, capital was shifted from tangible "bricks and mortar" investments in the traditional industries of steel, mining and automotive, to speculation in hypermobile and intangible financial and global markets (Bluestone & Harrison, 1982; Cowie & Heathcott, 2003a; Harvey, 2007; Neumann, 2016; Strangleman & Rhodes, 2014).

It was with Bluestone and Harrison's seminal 1982 publication, The Deindustrialization of America, that the broader social and economic implications of deindustrialization began to be more fully comprehended. Bluestone and Harrison defined deindustrialization as

"the widespread and systematic disinvestment in the nation's basic industrial capacity" (Bluestone & Harrison, 1982, p. 6). Moving beyond what had hitherto been a political and economic analysis of deindustrialization, Bluestone and Harrison demonstrated the social, ethical and moral dimensions of deindustrialization, and casted it as a "fundamental struggle between capital and community" (Bluestone & Harrison, 1982, p. 19) in its devaluation of workers that left in its wake a legacy of community abandonment and ghost towns.

Twenty years later, Cowie and Heathcott brought a further interdisciplinary lens to deindustrialization studies, encouraging readers to look "beyond the body count" of factory closures and job losses (Cowie & Heathcott, 2003a). They viewed deindustrialization as a process of "historical transformation that [marked] not just a quantitative and qualitative change in employment, but a fundamental change in the social fabric on a par with industrialization itself" (Cowie & Heathcott, 2003a, p. 6).

The post-industrial economy is marked by a shift from the traditional industrial economy and a decline in manufacturing, to an economy based on services, finance, knowledge, information, and creative services. While acknowledging the impacts of increasing automation on shifting patterns of manufacturing, Cowie and Heathcott also identified that the more fundamental changes contributing to the post-industrial economy emerged from the de-linking of investment and place as demonstrated through growing factory obsolescence, the institutionalization of labour relations machinery, de-urbanization and new forms of urbanization, particularly gentrification, as well as a loosening connection between identity and work (Cowie & Heathcott, 2003a).

Some academics, writing at the time of the massive deindustrialization in the 1970s, saw progress in these political and economic changes as part of the "natural" or inevitable process of capitalism (Linkon, 2018). In his seminal publication, The Coming of Post-industrial Society, Harvard sociologist Daniel Bell identified the shift to the knowledge and service economy and the ascendency of the new professional-managerial middle class as a sign of progress towards a more just future that offered a better quality of life with more leisure time and shorter workdays and greater access to education (Bell, 1976; Ley, 1996). However, while deindustrialization has dramatically

influenced the occupational structure of modern society of the global North, it has not played out in the way Bell envisioned (Hamnett, 2003).

In reality, deindustrialization has privileged white-collar jobs and middle-class residents and remade urban space for centralized, management functions and professional services while manufacturing has been decentralized or shifted to more technologically advanced production (Neumann, 2016). Economic restructuring in a global marketplace marked by mobile capital has resulted in growing wage polarity marked by "winners" and "losers" (Kapstein, 2000). The winners are the service producers, defined broadly as the managerial, higher educated and creative class consumers working in the areas of finance, technology and public health. On the other hand are the "losers", the manual producers whose skills are better suited for the traditional industrial economy. These workers are particularly vulnerable to economic and technological change and are those for whom deindustrialization has brought stagnant and declining incomes and growing inequality (Kapstein, 2000; Linkon, 2018; Sassen, 1994). In the United States, only the top 20 percent of the family income distribution saw any real gains in income between 1973 and 1995, while the bottom 40 percent on average experienced real declines (Cowie & Heathcott, 2003b). This trend has resulted in an asymmetrical, "hourglass" economy with many highly skilled, high earning professionals at the top, many low skilled and low earning service jobs at the bottom, and a shrinking middle class in the middle (Bluestone & Harrison, 1982).

Marxist scholar and historical geographer David Harvey locates the growth of these power imbalances within the neoliberal theory of political economy which he defines as a political project designed to restore the power of economic elites and re-establish the conditions for capital accumulation (Harvey, 1996, 2007). As Harvey notes, neoliberalism is founded on the premise of more entrepreneurial freedom, individual liberty, private property rights, speculative financial markets and the overall weakening of the welfare state. Championed by the United States beginning in the 1960s, emerging as a force during the global recession of 1973, and becoming enshrined through the conservative eras of Ronald Regan and Margaret Thatcher throughout the 1980s, neoliberalism has become the dominant global hegemonic political-economic approach.

Deindustrialization scholars (Bluestone & Harrison, 1982; Linkon, 2018; Mah, 2012; Zukin, 1991) point to economist Joseph Schumpeter's characterization of capitalism's insatiable need for perpetual reincarnation as a "gale of creative destruction" that sweeps the globe, devouring the old in order to create the new. This process of creative destruction works from within economic and political systems and is driven by the need for recurrent innovation that is built on the fear of stagnation. In order for neoliberalism to grow, something had to be destroyed. Capital's incessant search for increased prosperity, for new growth and for innovation, manifests in capital disinvestment and reinvestment which in turn produces simultaneous growth and decline, ultimately resulting in partially uneven development as both people and places become disposable (High & Lewis, 2007; Mah, 2012). While Schumpeter acknowledged the pain this caused for those individuals and businesses made redundant by new forms of economic innovation, these he deemed, were offset by new opportunities for new men and women to rise (Zukin, 1991).

Creative destruction lies at the heart of the market-based mechanics of deindustrialization and selective urban regeneration. In the context of deindustrialization, capitalism as creative destruction entailed breaking the post-war compact between labour and capital with its emphasis on low unemployment supported by an interventionist state, significant rolling back of social programs that sought to protect and benefit working-class interests and the deregulation of frameworks designed to protect labour and the environment (Harvey, 2007). Between January 1981 and January 1986, more than five million American workers lost their jobs because of plant closings, slack work or elimination of their positions (Bluestone & Harrison, 1982). As sociologist Sharon Zukin notes, these workers typically had significant attachment to their employers (Zukin, 1991). The impact of the job losses were often felt most severely by vulnerable groups, including migrant workers, older workers and those with disabilities who felt the magnitude of marginalization (McIvor, 2017). For downsized workers, deindustrialization is viewed as a breach of the social contract between employee and employer and between the citizen and government. With these beaches has also come the erosion of trust (Hart & K'Meyer, 2003).

Throughout the global North but perhaps most pronounced in the United States, it is both the national and local state levels that have contributed to the production of displacement through national welfare state restructuring evidenced through austerity urbanism. Political economist Jamie Peck defines austerity urbanism as a socially regressive form of scalar politics in which costs and risks are offloaded from central governments and on to state and municipal levels of government (Peck, 2014). In the effort to shift responsibility for macroeconomic failures and political mismanagement, neoliberal austerity measures have also taken narrative aim at the public sector workers, social programs, labour unions and the economically and socially marginalized, deeming them as entitled and lazy (Peck, 2014). In a climate of lean local government, austerity is experienced most severely at the urban and neighbourhood scale, implemented through a localized regime of welfare chauvinism (Guentner et al., 2016) in which some groups are framed as economically unproductive and therefore undeserving of access to social housing and other public social safety systems (Gillespie et al., 2021).

The post-industrial economy is not bounded by place yet it is at the urban and local levels where the greatest impact is felt on individuals and communities. Zukin sees the political and economic changes of the late 20th century as fundamental to the restructuring of the cultural landscape and a community's connection to place. The creative destruction wrought by deindustrialization has resulted in a sharp division between landscapes of consumption and landscapes of devastation. "The basic problem derives from a simple imbalance between investment and employment: capital moves, the community doesn't" (Zukin, 1991, p. 15). Harvey is more pointed in his critique. In the name of globalism, he sees multinational corporations as being free to pursue communally destructive forms of "flexible accumulation" and speculative gains…while the working class is rendered powerless to fend off these new forces of communal devastation" (Harvey, 1996, p. 176). Further, deindustrialization and restructuring of the global economy has often resulted in a zero sum gain as more and more cities are forced to engage in a competition with each other to attract global capital in physical and human terms (Fageir et al., 2021). Collectively, these political and economic trends have resulted in socio-spatial

displacement and stark forms of inequality as working-class neighbourhoods have experienced the loss of their jobs, community networks and ultimately their homes — a consequence of the enduring effects of deindustrialization.

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