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Detroit after Bankruptcy: A Case of Degrowth Machine Politics

Seth Schindler
University of Sheffield
Department of Geography
Sheffield
S10 2TN
Tel.: (+44) 0114-222-7939
Email: s.schindler@sheffield.ac.uk

Abstract

It is widely accepted that neoliberalism is intensified in times of crisis, and Jamie Peck has argued that ‘austerity urbanism’ has been implemented at the urban scale since the 2008 financial crisis. This article questions whether this narrative of neoliberal expansion is applicable in cities where crisis is so severe that economic growth seems highly unlikely. I focus on Detroit, whose recent declaration of bankruptcy signals the recognition among local officials and elites that the city’s decline cannot be reversed with out-of-the box neoliberal policies. Instead, the city’s bankruptcy precipitated a breakdown of an interscalar growth coalition, and local actors have embraced a plan for Detroit’s future which diverges from ‘austerity urbanism’ favored by extra-local investors in significant ways. Importantly, local actors have embraced a plan that seeks to improve the quality of life for the city’s residents in the context of irreversible degrowth. I refer to this as degrowth machine politics and I examine the extent to which its emergence may foster contingency and progressive urban politics.

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Introduction

One axiom that has not faced serious scrutiny in debates surrounding neoliberalism in the wake of the 2008 financial crisis is that neoliberal governance regimes are intensified in times of crisis. The reasoning is that policies which would not be tolerable in normal circumstances are enacted as supposed emergency measures (Klein, 2008; Peck, 2012). According to this narrative proponents of neoliberalism tout free-market reforms as the only way to resume economic growth, and this accounts for ‘the robustness of neoliberal institutions even in the face of repeated crisis’ (Peck and Tickell, 2002: 384). This article does not seek to challenge this narrative directly, but rather examine whether it is applicable in places where the severity of crisis makes economic growth seem highly unlikely under any imaginable circumstances. Detroit is a poignant example because it is rather clear that decades of decline cannot be reversed by the usual mix of privatization, deregulation and dismantling of welfare programs. I examine proposals that have emerged in recent years which seek to reverse the city’s decline and re-envision its future. I show that elites in Detroit are pursuing policies which diverge from orthodox urban entrepreneurialism in some significant ways. This demonstrates that Detroit’s recent declaration of bankruptcy has infused local politics with contingency, and I query whether it could give rise to truly progressive urban politics.

The intensification of neoliberalism in times of crisis is closely linked to the concepts of growth machine politics and urban entrepreneurialism. Harvey Molotch’s (1976: 309) seminal article entitled The City as a Growth Machine: Towards a Political Economy of Place, demonstrated that ‘the political and economic essence of virtually any given locality, in the present American context, is growth’. He argued that local elites typically forge a coalition whose efforts are geared toward attracting capital and implementing policies that determine land-use in an effort to augment property values. While this article appeared years
before the electoral victories of Ronald Regan and Margaret Thatcher which signaled the neoliberal *coup d’etat*, there were signs that a shift in the logic of governance was imminent. In his 1978-1979 lecture at the College de France Michel Foucault (2008: 176) stated that ‘we are seeing the birth, maybe for a short period or maybe for a longer period, of a new art of government, or at any rate, of a renewal of the liberal art of government’. Foucault argued that this emergent neoliberal art of government was not based on a renewal of the Smithian imperative of exchange, but that competition and entrepreneurialism were at its core. Thus, it is fitting that after a nearly decade of neoliberal hegemony in the North Atlantic David Harvey (1989) identified a shift in urban governance, from managerialism to entrepreneurialism. He demonstrates that while cities remained ‘growth machines’ engaged in fierce inter-city competition for capital, by the end of the 1980s municipal governments pursued urban renewal programs through public-private partnerships that were often highly speculative. Urban entrepreneurialism was a response among both local elites and extra-local investors to the prolonged economic crisis that began in the 1970s. Since investments in firms engaged in Fordist modes of production were subjected to degreasing returns to scale (Piore and Sabel, 1984), public-private partnerships were attractive to investors because municipalities assumed the bulk of the risk (Harvey, 1989; 2011). Thus, investors required little coaxing from municipal governments to invest in urban renewal projects, and by 2002 Neil Smith was able to demonstrate that gentrification was a global phenomenon remaking cityscapes around the world.

The concepts of growth machine politics and urban entrepreneurialism have been remarkably resilient in urban scholarship. Gordon MacLeod and Martin Jones (2011) note that although urban scholarship has revealed that there is not a single universal model of urban entrepreneurialism, two phenomena that correspond to the observations made by David Harvey (1989) are still widely observed. First, the influence of the private sector vis-à-vis
local governments continues to grow. Second, municipal governments continue to scale back efforts to manage collective consumption and instead focus on ‘courting the private sector and cultivating economic enterprise across the urban landscape’ (Harvey, 1989: 2444).

However, they note some recent trends that distinguish new urban politics from growth-oriented entrepreneurialism of the 1980s and 1990s. First, there has been a shift from politics to governance which reduces the ability of local communities to challenge growth machine politics. Furthermore, conflict has been observed among actors within growth coalitions.

While the imperative of growth historicallysutured differences among a range of actors (Logan and Molotch, 1987), conflict increasingly erupts among actors at different scales (see Ancien, 2011). Kirkpatrick and Smith (2011) explain that interscalar conflict is common in times of crisis because there is a clear divergence of the interests of local elites (e.g. municipal employees and local landholders) and extra-local actors (e.g. bondholders). They note that investment in urban infrastructure was often a cornerstone of growth machine politics, but in the 2000s municipalities began financing infrastructural projects ‘in increasingly speculative, risky and arcane ways’ (Kirkpatrick and Smith, 2011: 482). This debt can become unmanageable in times of crisis when capital is scarce and tax revenues shrink. Ultimately the result can be what they call an ‘infrastructure trap’ in which ‘investors want their bonds to be honored, even if doing so would be socially, politically or financially devastating for a particular city’ (Kirkpatrick and Smith, 2011: 496).

The 2008 financial crisis tested the extent to which growth machine politics could subsume conflict among a range of multi-scaled actors because it originated in cities and its most disastrous effects are unfolding in cities. David Harvey (2012) argues that the crisis has ‘urban roots’, in the sense that overaccumulated capital flowed into risky investments like securitized sub-prime debt which encouraged the pre-crisis housing boom. Jamie Peck (2012: 650-651) argues that the most severe impacts of the crisis are unfolding in cities, as profligate
Federal spending in the immediate post-crisis era has given way to ‘austerity urbanism’. This is characterized by an imposition of austerity by higher levels of government, and pressures:

operate downwards in both social and scalar terms: they offload social and environmental externalities on cities and communities, while at the same time enforcing unflinching fiscal restraint by way of extralocal disciplines; they further incapacitate the state and the public sphere through the outsourcing, marketization and privatization of governmental services and social supports; and they concentrate both costs and burdens on those at the bottom of the social hierarchy, compounding economic marginalization with state abandonment.

The main incentive for cities to impose and endure austerity urbanism is to placate investors and stave off bankruptcy. This narrative tells us little, however, about cities which have declared bankruptcy. This article raises a number of interrelated questions. First, is municipal bankruptcy the latest avatar of neoliberalism? If so, then it would appear that neoliberalism has been decoupled from economic growth, and this would lead to further questions regarding the agenda of its proponents. It is possible to imagine a scenario in which local elites seek to wrestle power from extra-local elites in order to ensure that any capital that is accumulated in the context of degrowth accrues to them. In other words, while bankrupt municipalities undoubtedly experience degrowth, and this raises the question: degrowth for whom? Alternatively, bankruptcy could signal city-based actors’ rejection of economic growth as the immediate goal, in favor of truly progressive urban transformation. Quite simply, the main question is whether local elites simply seek to gain power vis-à-vis extra-local investors in order to ensure continued capital accumulation in the context of degrowth, or are we witnessing the rejection of growth-oriented urban entrepreneurialism?
Detroit: decline, bankruptcy and degrowth

Recent scholarly debates surrounding neoliberalism have sought to unpack an inherent tension between universal neoliberal ideology and particular variants of ‘actually existing’ neoliberalism (Brenner and Theodore, 2002; Lauermann and Davidson, 2013). Clarke (2008) challenged the utility of the term neoliberalism, and argued that it is an overused, ‘promiscuous’ concept that serves to confuse rather than enlighten. However, Aalbers (2013) argues that it remains a dominant ideological concept, while Brenner et al. (2010: 343) note that ‘market-disciplinary rule-regimes’ prevail globally and inhibit the emergence of radically different alternatives at national and urban scales. While debates surrounding neoliberalism have produced a rich body of scholarship, one axiom that has gone unchallenged is that in times of crisis market-oriented governance is intensified. While this assumption deserves to be reexamined in the context of the 2008 financial crisis, ‘there has been little systematic empirical analysis of the [2008] crisis as a ‘laboratory' for urban governance models’ (Oosterlynck and Gonzales, 2013: 1076). In this article I challenge the notion that crisis inherently leads to an intensification of neoliberalism and I also seek to contribute to our understanding of urban governance after the 2008 financial crisis.

Detroit is often portrayed as emblematic of urban decline in the United States (Millington, 2013). The causes for Detroit’s decades of decline are multifaceted and complex, but the main driver has been the collapse of the city’s manufacturing base. In this section I review Detroit’s decline, but instead of presenting a comprehensive history my objective is to show that Detroit’s problems defy out-of-the box neoliberal solutions such as deregulation and privatization. As a result, local elites have engaged ‘in the political work of managing contradictions and aligning the politics of austerity with the possibility of alternative political, social and economic rationalities’ (Newman 2013: 13). As I will
demonstrate, the vision of Detroit’s future which has garnered support among local elites cannot simply be dismissed as a roll out of neoliberalism.

The industrial geography of the United States was dramatically altered in the 1970s and 80s (Froebel et al., 1980). Firms shifted production within the United States to the south and west in an effort to outflank organized labor, and overseas in order to access cheap labor and tap into emerging markets. These factors impacted many cities in America’s so-called ‘Rust Belt’, and in many ways Detroit’s decline is consistent with other cities in the region whose economies were historically based on manufacturing. John McDonald (2014) explains, however, that in comparison to other cities in the region, the 2000s were particularly difficult for Detroit. The population decreased by almost 25%, more than 50% of the city’s manufacturing jobs were eliminated, and while Detroit did not experience a real estate boom the collapse of its housing market began in 2006 (McDonald 2014). The city’s tax revenue decreased and from 2003-2009 its deficit grew to a staggering $280 million, and then to $326 million by 2012 (McDonald 2014). Additionally, Detroit has a long history of class conflict and racial tension (Georgakas and Surkin, 1975) which spurred an exodus from the city that contributed to widespread abandonment and produced the most segregated urban landscape in the United States (Logan and Stults, 2011). Finally, from 2001-2008 Detroit’s Mayor Kwame Kilpatrick – who was later convicted of multiple felonies – was funneling public contracts to cronies and running an extortion racket rather than a growth machine (Detroit Free Press, 2013a). Thus, Detroit’s crisis is driven by multiple pressures which exacerbate one another in increasingly devastating feedback loops.

The factories that remained in Detroit throughout the sustained period of restructuring in the 1980s and 90s shifted to ‘lean’ or ‘just-in-time’ methods of production, provoking resistance from organized labor. In 1998 workers at a General Motors metal stamping plant in Flint went on strike and General Motors ultimately suffered losses of approximately $2.3
billion (Herod, 2001). Elliot Siemiatykcki (2012) argues that any gains made by labor in the
1998 strike were limited and quickly reversed. He explains (ibid.) that in 2007 the United
Auto Workers (UAW) union was given little choice but to agree to benefits cuts and a two-
tiered wage system. This agreement was followed by the 2008 financial crisis, and
subsequently the U.S. Treasury bailed out Chrysler and General Motors. Siemiatykcki explains
that one consequence of the Treasury’s bailout was that labor was forced to accept a series of
concessions that amount to what he calls ‘permanent restructuring’:

The rationale for providing such financial assistance has been that well-paid
manufacturing jobs must be protected. Yet, these same governments have forced auto
companies to restructure in ways that dramatically cut the very jobs and wages which
were deemed essential to protect.

George Steinmetz (2009) argues that Detroit’s urban crisis should be distinguished
from the crisis of the U.S. auto industry. While the crisis of the latter has certainly been the
primary cause of Detroit’s decline, Steinmetz (ibid.: 764) points out that ‘it is crucial to
differentiate between the two crises if a solution for the city’s plight is to be found’. In other
words, reviving Detroit’s manufacturing base is not an option, so reversing the city’s decline
calls for more innovative responses.

The most visible symbol of Detroit’s crisis is widespread abandonment.
Approximately 20 square miles and 150,000 properties are abandoned (Detroit Works Project
2012). Some parts of the city have been affected by abandonment more than others, but few
areas have been spared altogether. Iconic structures such as the Hudson Building and Tiger
Stadium have been razed, and the Michigan Central Depot has long been vacant. Some
neighborhoods have been ravaged by abandonment to the extent that they are commonly
portrayed as returning to a state of non-human nature (Millington 2013). This has engendered a traumatic sense of loss among Detroiter that is experienced universally regardless of race or class (Montgomery, 2014).

Policy makers have sought to tackle abandonment in Detroit by encouraging investment in property and home ownership. The key to this effort was state-level legislation passed in 1999 – the Urban Homesteading Act and PA 123 – that streamlined the transfer of abandoned properties to local governments. The idea was that these properties would be re-sold to residents eager to own their own homes. In other words, local authorities were meant to become the fulcrum of a healthy property market by ensuring that property was allocated efficiently (see Schindler, 2013). Joshua Akers (2013) explains that the impetus for these reforms came from a number of right-wing think tanks. Rather than significantly increasing homeownership among families, however, Akers (ibid.: 1082) shows that this regulatory framework ‘expands the ability of speculative and predatory investors to acquire, consolidate, and hold vast tracts throughout the city with few limits on disuse so long as taxes are paid’. In short, this system allows for authorities to seize tax foreclosed properties, which are put up for auction. The most derelict properties fail to sell for even $500 and remain public property, and remarkably there has been conflict between the city and county governments as neither wants to assume ownership of certain properties (see Akers, 2013). Meanwhile speculators are able to scoop up the better properties, but perhaps due to falling property prices, Detroit has not experienced rampant speculation. Akers (ibid.) shows that from 2002-2010 fewer than 11,000 properties were cycled through this auction process, which is rather insignificant considering there are approximately 150,000 abandoned properties in the city. Thus, this effort failed to boost property values while it made public authorities responsible for the least usable properties.
The City of Detroit’s operating budget showed no signs of shrinking in the 2000s while its tax revenues continued to plummet. As noted above, property prices in Detroit have declined steadily since 2006, so aside from the discontinuation of some waterfront developments, the initial impacts of the 2008 financial crisis were hardly visible. However, Detroit was in an inescapable cycle of financing its debts with further barrowing, while tax revenues continued to shrink. Default seemed likely, and in March 2013, Michigan’s Republican Governor Rick Snyder put an emergency manager in charge of Detroit’s finances (State of Michigan Executive Office, 2013). The powers of the emergency manager were far-reaching and included renegotiating contracts with unionized public-sector workers (ibid.). Ultimately the emergency manager determined that the cycle of issuing bonds to finance debt was untenable given the fact that a reversal of the city’s economic fortune – and hence its ability to repay its debt – is unlikely in present circumstances. On July 18, 2013, Detroit became the largest city in the United States to declare bankruptcy. The decision to declare bankruptcy was controversial, especially since it was made by an appointed emergency manager rather than elected officials. Thus, there was tension between actors at the state and city levels of government, but Detroit’s bankruptcy has not resulted in straightforward austerity urbanism as described by Peck. Bankruptcy will indeed require the implementation of fiscal austerity, and negotiations between emergency manager Kevyn Orr and retired municipal employees over cuts to pensions have been fierce (Helms and Bomey, 2014). However, officials are not simply acting on behalf of capital. Indeed, bankruptcy has allowed city and state governments to defy the demands of extra-local bondholders (Walsh, 2014a; 2014b).

Detroit’s complex problems defy easy solutions, and it is clear that the city cannot cobble together a ‘grant coalition’ (see Bernt, 2009) and secure a bailout from state or federal authorities. Furthermore, the return of large-scale Fordist industry and manufacturing jobs –
and hence people – is equally unlikely. Thus, instead of fostering economic growth, the most immediate challenge facing Detroit’s policy makers is how to manage the city’s decline in the short-term. In other words, how can schools remain open, and police and fire departments operational when the city’s coffers are empty? Since blueprints for reversing urban decline prioritize fostering economic growth, they are of little relevance when the main challenge is managing inevitable degrowth. The concept of degrowth has hitherto had little purchase beyond academic circles because, needless to say, politicians do not win elections on platforms of scaling back consumption and shrinking the economy. Giorgos Kallis (2011: 876) defines degrowth as ‘a socially sustainable and equitable reduction (and eventually stabilisation) of…the materials and energy a society extracts, processes, transports and distributes, to consume and return back to the environment as waste’. Thus, instead of seeking to reduce the impact of resource extraction and use through technological innovation, advocates of degrowth argue for a deliberate reduction of the actual amount of resources that are extracted and used, as well as a more just distribution of resources. In the case of Detroit’s present circumstances, bankruptcy signals a recognition among policy makers that it may be ‘better to start adapting to forced de-growth…in order to find a prosperous way down’ (Martinez-Alier et al., 2010: 1745).

**Re-envisioning Detroit’s future**

Numerous proposals have been made by a range of actors regarding Detroit’s future. Some proposals are standard urban renewal projects (e.g. sports stadia and entertainment districts), while others are truly bizarre. I review a number of proposals, but my main focus is
Detroit Future City,¹ an extensive long-term development plan around which a coalition of actors has coalesced.

A number of redevelopment projects are underway that can be described as standard, urban renewal projects. Most notably, Mike Ilitch, the owner of two of Detroit’s professional sports teams and pizza chain Little Caesar’s, proposed to redevelop a $650 million professional hockey arena and surrounding entertainment district (Guilen and Reindl, 2014a). The Detroit city council voted to transfer 39 publicly held properties to Ilitch’s development company, Olympia Development, for $1. The Detroit Free Press (ibid.) reported that ‘the arena development would span eight desolate blocks and transform the Cass Corridor, an economic dead zone between downtown and Midtown and once a notorious haven for crime and prostitution’. Given the sheer abundance of abandoned property in Detroit, the question was not whether the project should move forward, but rather, whether the supposed future benefits (e.g. jobs and tax revenues) warranted the transfer of land for $1. Subsequently, details have surfaced that show this deal is a case of urban entrepreneurialism par excellence.

Currently the City of Detroit receives approximately $7 million from proceeds of Red Wings tickets, but the new deal excludes a provision for revenue-sharing, and furthermore the city is contributing a substantial amount of money to the arena’s construction. The Detroit Free Press reported that ‘Olympia Development will pick up 42% of the arena’s construction cost. The other 58% — the public’s share — will come from a complex financing arrangement that uses school and local property tax revenue collected by Detroit’s Downtown Development Authority to pay off state-issued bonds. The authority will own the arena and lease it — rent-free — to the Red Wings for up to 95 years’ (Guilen and Reindl, 2014b).

A similar project is moving forward at the historic Michigan State Fairgrounds. The State of Michigan discontinued subsidizing the annual State Fair in 2009 after the onset of the

financial crisis, and maintaining the property cost approximately $1 million per year (Gallagher, 2013). Michigan Governor Rick Snyder transferred the State Fairgrounds to the Michigan Land Bank Fast Track Authority in 2012, whose mission was to ‘return the land to productive use’ (Michigan Land Bank Fast Track Authority, 2014). The Land Bank issued a request for proposals in May 2012, and three investors expressed interest in purchasing and developing the property. The proposal that was ultimately accepted was made by Magic Plus, a consortium of investors whose public face is former professional basketball player Earvin ‘Magic’ Johnson (Michigan Land Bank Fast Track Authority, 2012). The deal transfers the property to Magic Plus for $4.6 million, and Magic Plus has agreed to undertake a $120 million renewal project that ‘includes a mixed-use development for the entire property that includes retail, residential, green space and entertainment uses’ (Michigan Land Bank Fast Track Authority, 2012; AlHajal, 2013). The plan has generated considerable controversy, however, because many local residents are opposed to the construction of big-box retail outlets and have supported an alternative proposal with more open green spaces and public transit links (AlHajal, 2013). Negotiations and public consultations are ongoing.

The Red Wings arena project and the redevelopment of the State Fairgrounds have grabbed headlines because of the celebrity status of the investors, and they may be financially viable because they seek to redevelop the heart of downtown and the border with Detroit’s northern suburbs. However, large-scale investment in entrepreneurial renewal projects is the exception rather than the norm in Detroit. There are many counter-examples of truly bazaar proposals, and there has been a general lack of enthusiasm among investors. The strangest proposal reported by the Detroit Free Press (Satyanarayana, 2012) was from a suburbanite who envisioned a ‘zombie apocalypse-style theme park…with actors playing brain-eating zombies and players trying to kill the hordes before they, too, become the walking dead’. Investors were not forthcoming and there was an unsuccessful attempt to crowdsource
$145,000 for the project. Interestingly, the project would have required acquiescence from city officials – who were steadfastly opposed to the idea – because so much land is publicly owned in the most blighted areas of the city where the theme park was to be built. Thus, on the one hand extensive public landholdings give city officials a tremendous amount of agency in deciding which developments can be realized. On the other hand, however, the paucity of serious investors willing to undertake any development project limits authorities’ ability to steer urban transformation. A case in point is the iconic Packard Plant, a sprawling automotive plant that stopped producing cars in the mid-1950s (Reindl, 2013a). The property became public property when its owners fell into arrears in property taxes, and Wayne County authorities sought to find an investor who could at least cover the back taxes and an auction was held. The winning bidder was a Texas-based medical doctor who bid $6 million and released plans to redevelop the site in an incoherent statement entitled The Poential Energy in Detroits Assets [sic] (Van Horn 2013). When the $6 million failed to materialize the plant was awarded to the second bidder for $1 million, a developer from the Chicago area who planned to transform ‘it into housing, restaurants, offices, shopping and a hotel’ (Reindl, 2013a). After paying a $200,000 deposit he failed to deliver the balance (Reindl, 2013a), so the property was finally purchased by the third bidder for $405,000 (Reindl, 2014). The Detroit Free Press reported that the investor is a Peru-based Spanish developer who hopes to renovate the 40-acre industrial site and attract automotive parts manufacturers, as well as ‘light-industrial businesses, green-energy companies and firms that specialize in basic outsourced office functions. He wants to add retail, residential and cultural components in the future, and perhaps a high-end go-kart racing track’ (Reindl, 2014). It is too early to determine whether this initiative could indeed become another example of urban entrepreneurialism – perhaps more remarkable than the Packard Plant’s transformation into a high-end go-kart track would be if such a venture stayed in business for any length of time. What is important
for this article is that these episodes demonstrate the difficulty faced by officials to find any serious investors willing to develop Detroit’s vast abandoned spaces.

A number of other proposals exist, such as one to create a large urban farm that envisions ‘oaks, maples, and other high value trees planted in straight, evenly spaced rows’ (see: http://www.hantzfarmsdetroit.com/). Another initiative spearheaded by Quicken Loans founder Dan Gilbert seeks to ‘remove every “blighted” residential structure, commercial structure and public building, and clear every blighted vacant lot in the city of Detroit as quickly as possible’ (see: http://www.timetoendblight.com/). The most comprehensive plan for Detroit’s future has undoubtedly been developed by the Detroit Works Project (DWP), which has served as a platform through which a coalition has been forged among local elites. The DWP was launched in 2010 with the support of then mayor Dave Bing, and it enjoys at least moderate support from current mayor Mike Duggan (Blac, 2013; Deadline Detroit 2014). Its steering committee includes prominent members from Detroit’s public, private and philanthropic sectors, and it has received substantial financial backing from a range of corporations and foundations including Ford Motor Co., the Kresge Foundation, and the Hudson Webber Foundation (Lacy, 2013). The DWP developed the Detroit Future City report, whose implementation is entrusted to former Detroit Mayor Kenneth Cockerel Jr. and whose objective is ‘to recognize and adapt to an unpredictable future’ and thereby ‘uplift the people, businesses, and places of Detroit by improving quality of life and businesses in the city’ (pg. 17 & 7). The report claims that it ‘marks the first time in decades that Detroit has considered its future not only from a standpoint of land use or economic growth but in the context of city systems, neighborhood vision, and the need for greater civic capacity to address the systemic change necessary for Detroit’s success’ (pg. 5). A Detroit Free Press editorial exclaimed that ‘it’s not a patch; it’s a revolution…[that]should be implemented without delay’ (Detroit Free Press, 2013b).
The Detroit Future City plan divides action into five ‘planning elements’: economic growth, land use, city systems, neighborhoods and land and buildings assets. Economic growth is prioritized, with a focus on job creation and raising tax revenues. Jargon consistent with urban entrepreneurialism is present throughout the section on growth, including ‘public, private, philanthropic investments’, action plans, cluster strategies, industrial business improvement districts, and so on. While manufacturing remains part of the vision, the report emphasizes diversifying the city’s economy and identifies a number of sectors that have the potential for growth such as food processing, medical technology, education and digital/creative industries. The plan notes that a lack of qualified labor is a barrier to growth in these sectors, and it calls for targeted education and training programs. The absence of capital is not emphasized and vacant land is considered the ‘greatest—and most challenging—asset…for long-term development’ (pg. 45). Interestingly, the plan acknowledges the existence of an informal sector and calls for its formalization. Finally, the economic growth section of the report has an implementation section whose recommendations are consistent with growth machine politics: ‘Through preferential zoning, targeted infrastructure investments, attraction of new capital into the city, and innovative approaches to address under-utilization of land, the strategy aims to increase the value of and investments in the city’s highest-potential jobs-producing land’ (pg. 49).

Land use is the second ‘planning element’ in the report, and the city’s land is identified as its ‘greatest liability and its greatest asset’ (pg. 93). The ultimate aim of the report’s land use strategy is to complement efforts to spur economic growth. However, the report states that this will require ‘innovative approaches’ and that it uses the word ‘productive’ ‘in a very broad sense’ that includes urban agriculture, biomass production and wood products sector (pg. 127). The Fordist residential pattern of sprawling neighborhoods with single-family homes is rejected in favor of:
stronger, greener, and more socially and economically vital Detroit, where neighborhoods feature a wide variety of residential styles from apartments to houses, and where residents are connected to jobs and services by many transportation options (and especially a regional network of transit) in a “canvas of green” that features stately boulevards, open green space, urban woodlands, ponds and streams, and new uses of natural landscape to clean the air, restore ecological habitats, and produce locally sourced food (pg. 93).

Seven districts are identified, and each will be targeted for specific interventions and interconnected with a series of transportation corridors. The plan calls for significant investment in ‘blue infrastructure’ (i.e. waterways that collect and filter runoff) and ‘green infrastructure’ (i.e. parks and cordons near expressways that improve air quality). The plan goes so far as to claim that ‘Detroit has an abundance of available land resources that can be leveraged to create a new green and sustainable city unlike any other in the world’ (pg. 97). The report recognizes vacancy as the main threat to the future vision, and prioritizes stabilizing neighborhoods. Neighborhoods are classified into one of three categories depending on their level of vacancy, and interventions are made accordingly. A series of neighborhood and landscape typologies is envisioned, and land in neighborhoods with the highest levels of vacancy is allowed ‘to return to a maintained version of its natural state’ (pg. 111). Meanwhile, policy seeks to concentrate the city’s population into areas that already have high densities. In summary, the plan seeks to gear land-use toward economic growth but it goes beyond simply putting land in the hands of developers.

The report shifts focus in the third and fourth sections – city systems and neighborhoods, respectively – to quality of life issues. First, the section on city systems is
premised on the necessity of realigning service delivery with the size of Detroit’s population, so that efforts to deliver services are targeted toward neighborhoods with low levels of vacancy. The provision of services complements the land-use strategies by guiding residents from high vacancy neighborhoods that need to be ‘re-patterned’ (pg. 167), into more densely populated which will be ‘a critical step in reducing the financial problems faced by service providers and end users’ (pg. 157). Infrastructure in areas whose population is expected to ‘stabilize at a level above current capacity’ is earmarked for upgradation and maintenance. Meanwhile, in areas with high levels of vacancy ‘where the land use plan designates a change of land use it will make little sense to investin renewing the systems in these areas because…when the new land use is adopted, they will either be replaced in their entirety, repurposed and refashioned for a different function – or, in some cases, simply decommissioned’ (pg. 177). Three key strategies are proposed to lower the cost of service provision. First, the plan calls for ‘strategic’ renewal of service systems, which is demand-driven ‘differentiated level of investment across the city’ that complements the land-use plan (pg. 158). Second, landscapes are meant to function as infrastructure, by being ‘adapted to serve stormwater/wastewater, energy, roads/transportation, and waste infrastructure systems’ (pg. 163). The report explains that landscape infrastructure can contribute to environmental sustainability and reduce exposure to environmental hazards. Finally, the plan notes that while roads must be well-maintained so that Detroit remains a freight corridor (a significant amount of freight between the U.S. and Canada passes through Detroit), ‘residents urgently need more transportation choices beyond driving’ (pg. 158). This is a major shift in tone for the so-called Motor City. The plan calls for ‘on-demand [bus] services that match capacity to demand, improving efficiency and allowing smaller fleets’ (pg. 159). While it is unclear how the city’s already overstretched bus system could simultaneously be downsized and become more efficient, the plan also calls for the creation of a network for cyclists and intermodal
transportation. The restructuring of Detroit’s transportation services could reinforce the land-use strategy and contribute to the densification of certain areas and the further isolation of others.

The ‘neighborhood element’ of the plan envisions ‘distinct and regionally competitive neighborhoods’ that are ‘welcoming to all, including those moving in from neighboring cities, those who are originally from other countries, and those with limited means’ (pg. 203-205). To this end the plan calls for the creation of ‘a range of neighborhood choices’, including ‘well-known neighborhood types’ as well as ‘new neighborhood typologies’ (pg. 208). First and foremost, these types differ in terms of the type of housing they offer (i.e. apartment blocks, mixed-use neighborhoods, single-family homes). The revitalization and development of each neighborhood ‘type’ is addressed with a specific set of strategies. Importantly, the plan proposes an initiative to assist residents in low-density areas to relocate to high-density areas. Places that are significantly depopulated become ‘alternative use areas’ whose transformation ‘hinges on there-imagination and reuse of vacant land for productive uses or, where there is excess vacant land, returning it to an ecologically and environmentally sustainable state. Large contiguous areas should be assembled under public control for future disposition and productive reuse’ (pg. 261). The plan acknowledges the need for improved safety and education in each of the types, and calls for decentralized decision-making at the neighborhood level.

The final planning element is the management of public land and buildings. A range of public agencies own a significant amount of vacant properties in Detroit, and this section challenges ‘all public agencies—whether city, county, or state—…to change how they think about land, and make equally fundamental changes to the way they acquire, manage’ (pg. 267). While the ultimate goal is augment the exchange value of these vacant properties and transform them into assets, this part of the plan is unique in the way it constructs property
rights. It states that ‘all land, whatever its legal ownership, is public in the sense that how it is used and maintained affects its neighbors and the community as a whole, and affects the city’s ability to preserve its neighborhoods and build its economy’ (pg. 268). This section of the plan emphasizes the need to embrace a holistic notion of urban transformation that would seem to reject entrepreneurial development such as the constructions of new sports stadia. More than any of the preceding sections, this section departs from growth machine politics, and states that ‘the reality is that, outside certain key locations, continuing demographic and economic trends mean that little new development will take place in Detroit for many years’ (pg. 271). The report diverges from growth machine politics and advocates a comprehensive land-use policy with ‘greater emphasis on holding rather than selling public land, and on making it more costly for private entities—often speculators—to hold onto vacant parcels instead of using them productively or relinquishing them’ (pg. 271).

This understanding that the city must genuinely reinvent itself is perhaps the most significant aspect of the Detroit Future City. The long-term plan to transform Detroit has multiple phases. The first phase lasts until 2020, and is simply geared toward stabilizing the economy and population. It states that ‘residents and stakeholders of Detroit will believe new future is possible if they begin to see an elevated level of reliable and quality services to meet their basic needs, as well as stabilization of physical conditions through more efficient operational reforms, strategic investments, and stabilization or modest improvement in the economic conditions of the city’ (pg. 31). In the second phase from 2020-2030 ‘Detroit is beginning to see the results of preparing residents and business (existing and new) for economic growth opportunities’, and it is not until 2050 that ‘Detroit regains its position as one of the most competitive cities in the nation’ (ibid.). Thus, while the ultimate aim of the plan is to foster economic growth, its postponement until 2050 indicates that the plan is
indeed supported by local elites with an interest in Detroit’s long-term future, rather than extra-local investors seeking short-term profits.

The DWP highlights extensive efforts made to elicit participation among city residents, which ultimately influenced the strategic framework. Its website claims that the framework ‘was grounded in robust community engagement that included hundreds of meetings and 30,000 conversations. People were connected with over 163,000 times, and we received more than 70,000 surveyed responses and comments from participants’ (Detroit Works Project, 2014). Furthermore, the DWP claims to have worked with existing community based organizations. Nevertheless, the transparent nature of the DWP has been criticized by residents convinced that officials seek to evict them from their homes and ‘shrink’ the city (Dolan, 2011). This is partly due to the structure of the DWP, which was separated by Mayor Bing in 2011 into ‘short term actions’, which are managed by city officials, and ‘long term planning’, which is undertaken by a steering committee comprised of 12 mayoral appointees (City of Detroit, 2014). This organizational structure could foster a division of labor in which elected officials simply manage day-to-day affairs, while long-term planning will be the province of appointed officials committed to urban entrepreneurialism and unaccountable to city residents. Indeed, urban entrepreneurialism has its proponents in Detroit. Michigan Governor Rick Snyder recently proposed a plan to issue 50,000 visas for skilled immigrants willing to live and work in Detroit (James, 2014), and Mayor Duggan expressed his support for the plan to President Obama (AlHajal, 2014). In many ways this plan seems representative of Richard Florida’s (2002) roundly criticized version of urban entrepreneurialism centered on attracting the so-called ‘creative class’ (see Peck, 2005). Meanwhile, one of the DWP’s former consultants opines that Detroit’s low-income residents, who she refers to as ‘cultural designers’, represent financial opportunity: ‘the untapped skills
and ingenuity of low-income residents can be harnessed via entrepreneurial ventures that take advantage of new crowd-funding networks’ (Griffin, 2012).

In summary, Detroit’s bankruptcy infused urban politics with considerable contingency, because it (1) disrupted the city’s interscalar growth coalition and (2) forced local elites to abandon growth-oriented policies in the short-term. This has allowed for a thorough re-envisioning of the city’s future. The steering committee that will advance the plans outlined in the Detroit Future City report assumed leadership in January 2014, so it is too early to determine whether the plan will exist primarily as a planning artifact or manifest urban transformation. A number of pilot projects have been launched and while it is impossible to assess their impact and it is unclear if they will be scaled up, it is important to note that they represent the full range of ‘planning elements’ outlined in Detroit Future City (see: http://detroitfuturecity.com/projects/). Thus, it is clear that the plan cannot be dismissed as rhetoric, and if the quality of life for Detroit residents improves in the short- and medium-term then bankruptcy may seem attractive to other municipalities in financial distress, especially in comparison with ‘austerity urbanism’.

In summary, the Detroit Works Project has served to fuse public, private, philanthropic and community-based actors into a degrowth coalition. Given the realistic appraisal of the prospects for economic growth in Detroit, the Detroit Future City report postpones robust economic growth until 2050. It is too early to determine the extent to which local elites are truly committed to neighborhood stabilization, community development and the construction of landscape infrastructure. Indeed, their commitment to these goals could be tested in coming years if the Detroit Future City plan enjoys initial success and willing investors step forward to build more sports stadia and big-box retail outlets. Furthermore, while the city’s economy may shrink, that does not preclude well-positioned elites from profiting from the city’s transformation. Again, the question remains, degrowth
for whom? Thus, while Detroit’s post-bankruptcy governance regime diverges from austerity urbanism in important respects and has infused urban politics with contingency, it remains to be seen whether it offers the city a truly progressive future.

**Conclusion: emergence of degrowth machine politics**

In this article I have challenged the notion that financial crises inherently engender neoliberal urban governance. In the case of Detroit, the declaration of bankruptcy exposed the limits to growth machine politics as conflict between elites at multiple scales proved insurmountable. While the primary concern of Detroit’s creditors is to recoup their investment, actors at the city and state levels are focused – at least in the short-term – on stabilizing the economy and population, and ultimately transforming the city. Importantly, there seems to be a consensus that the extent of the decline of Detroit’s manufacturing base, population decline and widespread abandonment preclude out-of-the-box neoliberal solutions. The formation of a coalition of city and state-level actors around the Detroit Future City does not represent a complete break with growth machine politics, but it does represent an important evolution for three important reasons. First, there is a realization that any economic growth on Detroit’s horizon will not be a result of the rejuvenation of the city’s Fordist manufacturing base. Thus, there is a need to carefully think through policies aimed at engendering growth, rather than succumb to knee-jerk reactions from the neoliberal playbook. Second, there is an emphasis on community development and quality of life issues. The proposal envisions comprehensive urban transformation aimed at making the city more livable. While urban transformation and place-(re)making is inherently contentious, and any proposal is bound to have detractors, it is significant that there is a consensus that economic growth alone will not reverse Detroit’s decline. Thus, it is entirely feasible that a strong local state could implement a series of development projects that improve Detroit residents’ quality
of life rather than benefit capital. The development of landscape infrastructure, for example, would reduce resource use but also fundamentally change the ways in which resources are managed and services delivered. Landscape infrastructure is embraced as an alternative to a technological fix precisely because of Detroit’s unique circumstances; its aging infrastructure requires upgradation, but budgetary constraints prohibit capital investment. Thus, in many respects the development of landscape infrastructure is an example of managing forced degrowth. Finally, perhaps the most important aspect of the Detroit Strategic Framework is that it represents a willingness to experiment, rather than try to ‘neoliberalize’ the city out of crisis. This is an implicit rejection of the single-minded pursuit of economic growth at the expense of marginalized urban residents that is the cornerstone of what Jamie Peck (2012) calls ‘austerity urbanism’.

It remains unclear how newly elected Mayor Mike Duggan will manage Detroit’s decline in the short-term, and how this management will be balanced with the long-term vision outlined in the Detroit Future City report. While the city may implement further budget cuts, it is important to recognize the very real budgetary constraints that it faces. Interpreting any and all budget cuts as a roll out of neoliberalism renders the concept rather meaningless and threatens to obscure efforts to develop alternative models of governance that may emerge from crises. Thus, on the one hand, any policy not meant to foster economic growth cannot be interpreted as evidence of the emergence of degrowth machine politics. One the other hand, it is equally inaccurate to dismiss any budget cut or effort to attract business as austerity urbanism. While it is too early to determine the long-term implications of bankruptcy in Detroit, the possibility that it could give rise to a progressive degrowth coalition cannot be ruled out. Above all, events surrounding Detroit’s bankruptcy suggest that urban politics in times of crisis deserve more – and more nuanced – scholarly attention.
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