A debate is emerging over whether gentrification and urban redevelopment are temporary, ephemeral processes or only the beginning of a long-term restructuring of urban space. In order to assess the future of the inner city, it is necessary to understand the origins of the present redevelopment process, yet little or no theoretical work has been done. In fact, gentrification and urban redevelopment are the leading edge of a larger process of uneven development which is a specific process, rooted in the structure of the capitalist mode of production. According to this perspective, gentrification is only a small part of a restructuring of urban space which is, in turn, part of the wider economic restructuring necessitated by the present economic crisis.

After a decade of intensive research the empirical evidence on gentrification is mounting. Unfortunately, the development of theory has not kept pace. On the face of it, this may be surprising since traditional urban theory has tended to focus on the protracted experience of urban decline, and the new reality of gentrification seems to oppose this experience. Do the traditional theories anticipate the advent of gentrification? Can they at least account for it? Does the reality of gentrification contradict the epistemological basis of much conventional theory, built around the twin processes of expansion at the periphery and decline in the center? In the light of gentrification, is new theoretical work necessary? Along with the more empirical questions concerning who the gentrifiers are and where and when the process is occurring, these more theoretical questions are inevitably thrown up by the extensive rehabilitation of depressed working class neighborhoods throughout the cities of the advanced capitalist world. It is natural that theoretical development will lag behind the development of reality, but as attention increasingly turns to the uncertain future of gentrification as a major urban process, researchers will be forced more and more to answer these broader theoretical questions as a means to understand not just the who, where, and when of gentrification but also the why. This paper will not attempt to provide answers for all of the above theoretical questions, but will, rather, sketch out one theoretical framework within which gentrification can be more cogently grounded. As such, it is a development of earlier empirical and theoretical research [36; 37] and should be viewed as the prelude to future empirical work. The theoretical framework advanced below is put forward in the spirit of a hypothesis and is useful only to the extent that it offers insights into the concrete, historical emergence of gentrification.1

1 By gentrification I mean the process by which working class residential neighborhoods are rehabilitated by middle class homebuyers, landlords, and professional developers. I make the theoretical distinction between gentrification and redevelopment. Redevelopment involves not rehabilitation of old structures but the construction of new buildings on previously developed land. A number of other terms are often used to refer to the process of gentrification, and all of them express a particular attitude toward the process. “Revitalization” and “renaissance” suggest that the neighborhoods involved were somehow de-vitalized or culturally moribund. While this is sometimes the case, it is often true that very vital working class communities are de-vitalized through gentrification. Open doors, street games, and stoop-sitting are replaced with...
GENTRIFICATION AND THEORY

The future of the inner city and the extent to which gentrification will continue are increasingly prominent issues in the broader urban literature, and a brief examination of the response to these issues will illustrate the urgency of developing new theoretical perspectives in the light of gentrification. For there are emerging two distinct assessments on the future of gentrification, and, despite the fact that these are based explicitly or implicitly on the same body of urban theory, these two assessments are mutually contradictory. Adherents of the first position hold that gentrification is a localized, small scale process which, while maybe symbolically important, is purely temporary and of little long-term significance. This is the position that Berry, for example, has consistently taken [3, p. 144; 4]. His reasoning is that the particular factors combining to encourage gentrification are themselves purely temporary; the high cost of suburban housing, low housing vacancy rates, lifestyle changes in the baby boom generation, and other specific factors will prevail only over the short-term, and when they are no longer operative, the “revitalization” of American inner cities will cease.

In opposition to this, adherents of the second position maintain that gentrification is only part of a larger “revitalization” of the core and the inner city, and a recentralization of certain urban activities. In short, there is a back-to-the-city movement, which at this point admittedly represents only a trickle of migrants back from the suburbs, but which also involves the spontaneous re-emergence of the very services, recreational facilities, and employment opportunities that will encourage this trickle to expand. While it has not yet fully proven itself according to adherents of the second position, this movement has the potential to reverse the historic decline of the central and inner city, and it should be actively supported by federal urban policies. With one or two notable exceptions, this is the perspective held by various authors in Laska and Spain [22]. Among researchers directly involved in gentrification issues the “back-to-the-city-school,” if we may dub it that, has won many adherents. But whatever its merits, this rosy assessment of the future of gentrification is rarely based explicitly on any broader explanatory perspective, such as that employed by Berry. Its grounding in optimism more than theory was vividly illustrated when one of its better known adherents, Jimmy Carter, chose the South Bronx to symbolize decay that could be reversed; more than knowledge and understanding it was hope and belief in the long-term salutory effects of gentrification that motivated President Carter’s sojourn to the South Bronx and the National Urban Policy that followed.

The back-to-the-city school is less concerned to explain gentrification than to document the process in close empirical detail, from the median age, race, and profession of gentrifiers to their lifestyle and the gamut of their individual preferences. Explanations are not absent, to be sure; it is just that they are more likely to be implied or taken for granted. Where these explanations are actually made explicit, it is striking that they are similar to the explanations employed by Berry to explain the opposite conclusion.² This, more than anything else, should lead us to iron bars, guard dogs, high wooden fences, and a scorn for the streets. The idea of “urban pioneers” is as insulting as the idea of the original “pioneers” in the West. Now, as then, it implies that no one lives in the areas being pioneered—no one worthy of notice, at least. In Australia the process is known as trendification, and elsewhere, inmovers are referred to as the “hipeoise.” The term gentrification expresses the obvious class character of the process and for that reason, although it may not be technically a “gentry” that moves in but rather middle class white professionals, it is empirically most realistic [41].

²The majority of essays in the Laska and Spain collection [22] invoke the same combination of demographic, lifestyle, economic, and energy factors as Berry. See also the essays in the collection by Rosenthal [31].
question the conventional theoretical framework within which gentrification tends to be viewed. How can a consistent urban theory lead to directly opposite conclusions? We could perhaps side with Berry and argue that in their enthusiasm for an apparently novel development the back-to-the-city school have ignored or undervalued the counsel of hard tested theories. But Berry’s own position is not unproblematic. It is not at all accidental, then, that Berry, who adheres most consistently to the traditional urban economic theories, is led to undervalue the extent and significance of gentrification. For the very assumptions upon which Berry’s conclusions are based do not allow the possibility of gentrification.

Important contributions have already been made toward a critique of the theory and assumptions underlying traditional urban economic theory [2; 16; 32], and this is not the place to do more than summarize results of these critiques as they relate to gentrification. To explain contemporary changes in the inner city housing market, Berry adopts the filtering model. According to this model, new housing is generally occupied by better-off families who vacate their previous, less spacious housing to poorer occupants, and move out toward the suburban periphery. In this way, decent housing “filters” down and is left behind for lower income families; the worst housing drops out of the market to abandonment or demolition [4, p. 16; 23]. Leaving aside entirely the question whether this “filtering” in fact guarantees “decent” housing for the working class, the filtering model invokes a number of assumptions that must be examined. Like most traditional urban economic theory, this model simply borrows concepts and assumptions from neo-classical economics and applies them to the urban problem at hand. Specifically, the filtering model assumes, as an exogenous factor, that people have a set of consumer preferences, one of which is for more and more residential space. It assumes, therefore, that the greater one’s ability to pay for space, the more space one will purchase. Smaller, less desirable spaces are left behind for those less able to pay. Other factors certainly impinge on demand for housing as well as its supply, but this preference for space together with the necessary income constraints provide the foundation for neo-classical treatments of urban development.

Gentrification contradicts this foundation of assumptions. It involves a so-called filtering in the opposite direction and seems to contradict the notion that preference for space per se is what guides the process of residential development. This means either that this assumption should be dropped from the theory or that “external factors” and income constraints were so altered as to render the preference for more space impractical and inoperable. Gentrification is thereby rendered a chance, extraordinary event, the accidental outcome of a unique mix of exogenous factors. But gentrification is not extraordinary in reality; it is extraordinary only to the theory which assumes it impossible from the start. The experience of gentrification illustrates well the limitations of neo-classical urban theory since in order to explain the process, the theory must be abandoned, and a superficial explanation based on ad hoc external factors must be adopted. But a list of factors do not make an explanation. The theory claims to explain suburbanization but cannot at all explain the historical continuity from suburbanization to gentrification and inner city redevelopment. Berry implicitly recognizes the need for (but lack of) such historical continuity when he concludes:

a restructuring of incentives played a critical role in the increase in home ownership and the attendant transformation of urban form after the Second World War. There is no reason to believe that another restructuring could not be designed to lead in other directions, for in a highly mobile market system nothing is as effective in producing change as a shift in relative prices. There is, then, a way. Whether there is a will is another matter, for under conditions of
democratic pluralism, interest group politics prevail, and the normal state of such politics is "business as usual." The bold changes that followed the Great Depression and the Second World War were responses to major crises, for it is only in a crisis atmosphere that enlightened leadership can prevail over the normal business of politics in which there is an unerring aim for the lowest common denominator. Nothing less than an equivalent crisis will, I suggest, enable the necessary substantial inner city revitalization to take place [4, pp. 27-8].

Today, I would suggest, we are entering just such a crisis—not just nationally but internationally, not just in the residential sector but throughout the economy—and this crisis has indeed begun to realize a restructuring of prices and, hence, of "incentives" [13; 28]. But crisis is not an exogenous factor, an accidental departure from equilibrium, as assumed in neoclassical theory. Economic crisis is a concrete historical product which, as well as throwing up new situations and relationships, realizes in a short period a number of tendencies already developing in the economy [12; 19]. It remains to be seen whether Berry's expectations are justified concerning enlightened leadership; there is hardly room for optimism at present. And although such "leadership" could undoubtedly affect the precise outcome of crisis, it is equally clear that, with or without such enlightenment, a restructuring of urban space is already afoot. While this restructuring certainly involves such "factors" as the baby boom, energy prices, and the cost of new housing units, its roots and its momentum derive from a deeper and very specific process of uneven development. At the urban scale, gentrification represents the leading edge of this process.

**UNEVEN DEVELOPMENT AT THE URBAN SCALE**

Somewhat akin to gentrification the process of uneven development has become a popular topic for research in the last decade. By uneven development is often meant the self-evident truth that societal development does not take place everywhere at the same speed or in the same direction. Such an obvious notion would barely deserve mention, far less the scrutiny it has received. As discussed here, uneven development is a specific process that is both unique to capitalism and rooted directly in the fundamental social relations of that mode of production. To be sure, societal development in other modes of production may well be uneven, but it is so for quite separate reasons, has a different social significance, and results in a different geographical pattern. The geography of the feudal market town is systematically different from the geography of the capitalist metropolis. Under capitalism the relationship between developed and underdeveloped areas is the most obvious and most central manifestation of uneven development, and occurs not just at the international scale but also at regional and urban scales [43]. No matter at what scale, capital moves spatially for similar (not identical) reasons, and it is this similarity of purpose and structure that engenders a similar spatial unevenness at different scales. Here it is possible only to sketch part of the underlying economic rationale, and to do so in the most summary fashion; a more detailed derivation is available elsewhere [39]. I will take three central aspects of uneven development and, by examining them sequentially, will piece together a framework for the theory. At each step, I will locate gentrification within the analysis, thereby providing an illustration for uneven development theory as well as a broader theoretical framework within which to understand gentrification.

**TENDENCIES TOWARD DIFFERENTIATION AND EQUALIZATION**

Inherent in the structure of capitalism are two contradictory tendencies toward, on the one hand, the equalization of conditions and levels of development and, on the other, their differentiation. The tendency toward equalization emerges from the more basic necessity for economic
expansion in capitalist society: individual capitalists and enterprises can survive only by making a profit, but in an economy ruled by competition between separate enterprises, survival requires expansion—the accumulation of larger and larger quantities of capital. At the level of the national or world economy, this translates into the necessity of permanent economic growth; when such growth does not occur, the system is in crisis. Economic expansion is fueled by drawing more and more workers into the wage labor relation, by locating and exploiting increased quantities of raw materials, and by developing the means of transportation that provide cheaper and faster access to raw materials and markets. In short, expansion is fueled by creating a larger number and broader variety of commodities, by selling them on the market, and by reinvesting part of the profit in a further expansion of the scale of the productive forces. Pre-capitalist societies are pressed into the service of capital and subjugated through the world market to the rule of the wage labor relation. With the transformation of the earth into a universal means of production, no corner is immune from the search for raw materials; every inch of the land surface, as well as the sea, the air, and the geological substratum is reduced in the eyes of capital to a real or potential means of production, each with a price tag. This is what lies behind the tendency toward equalization.

In terms of geographical space, the expansion of capital and the equalization of conditions and levels of development are what leads to the so-called “shrinking world.” Capital drives to overcome all spatial barriers to expansion and to measure spatial distance by transportation time. This is the process which Marx perceptively labeled the “annihilation of space with time”:

Capital by its nature drives beyond every spatial barrier. Thus the creation of the physical conditions of exchange—of the means of communication and transport—the annihilation of space by time—becomes an extraordinary necessity for it. . . . Thus, while capital must on the one side strive to tear down every spatial barrier to intercourse, i.e., to exchange, and conquer the whole earth for its market, it strives on the other side to annihilate this space with time, i.e., to reduce to a minimum the time spent in motion from one place to another. The more developed the capital, therefore, the more extensive the market over which it circulates, which forms the spatial orbit of its circulation, the more it strive simultaneously for an even greater extension of the market and for greater annihilation of space by time. . . . There appears here the universalizing tendency of capital, which distinguishes it from all previous stages of production [26, pp. 524, 539–40].

The economic correlate of this universalizing process is the tendency which Marx identified toward an equalization in the rate of profit [25, III, Ch. 10]. Both tendencies are realized in the circulation of capital but express a deeper process rooted in the production process: the universalization of abstract labor and the consequent hegemony of “value” over social interchange [19: 42].

To those who have followed the development of urban theory in the last twenty years, this equalization tendency as it operates at the urban scale will have a familiar ring. But before examining the urban scale per se, it is necessary to look at the process of differentiation which operates in opposition to equalization. Unlike equalization, the differentiation of levels and conditions of development does not emanate from a single focus but occurs along a number of axes. In the first place, contemporary capitalism clearly inherits an environment that is differentiated according to natural features. This natural basis of differentiation was a fundamental ingredient, in earlier societies, of the uneven societal development that occurred. To cite but one example, there developed regional divisions of labor,
based on the differential availability of natural materials: textiles where sheep could graze, iron and steel where coal and iron ore were available, towns at port sites, and so on. This, of course, was the bread and butter of traditional commercial and regional geography and in part the basis of the “areal differentiation” theme. But the advanced development of capitalism has brought about a certain emancipation from nature and natural constraints. “Important as the natural differences in the conditions of production may be,” wrote Nikolai Bukharin nearly seventy years ago, “they recede more and more into the background compared with differences that are the outcome of the uneven development of productive forces” [7, p. 20]. Thus contemporary geographical differentiation, while retaining deeply interwoven remnants from earlier nature-based patterns of differentiation, is increasingly driven forward by a quintessentially social dynamic emanating from the structure of capitalism.

This dynamic involves the progressive division of labor at various scales, the spatial centralization of capital in some places at the expense of others, the evolution of a spatially differentiated pattern of wage rates, the development of a ground rent surface that is markedly uneven over space, class differences, and so forth. It would be a mammoth task to attempt a general dissection of the intricacies of each of these processes and relationships that contribute to the tendency toward geographical differentiation. In any case, these processes and realtionships take on a radically different significance depending upon the scale being considered. Wage rates, for example, are one of the central determinants of uneven development at the international and regional scales, but at the urban scale, I will argue, are relatively unimportant. Elaborating the general dynamic of differentiation remains one of the most challenging obstacles to the construction of a general theory of uneven development [39, Ch. 4], and will not be pursued further here. Instead, we will move on to a discussion of the urban scale where the analysis of differentiation can be made concrete. The essential point at this stage, however, is that a tendency or series of tendencies operate in opposition to the equalization of conditions and levels of development in a capitalist economy, and it is the contradiction between these, as it plays itself out in concrete history, that lies behind the real pattern of uneven development. More than anything else, this process of differentiation, counterposed as it is by equalization, is responsible for the opposition of developed versus underdeveloped regions and nations and for the opposition of suburb and inner city.

In the early 1960s, Melvin Webber developed the concept of the “urban nonplace realm” [48; 49; 50]. Webber reasoned that with the development of technology, especially in communications and transportation, many of the old forms of social diversity were being broken down. For an increasing number of people, economic and social propinquity had become emancipated from spatial propinquity; with the exception of the poor, he argued, urbanites had freed themselves from the restrictions of territoriality. Webber’s notion of a “non-place urban realm” was given a wide and appreciative airing, not just because its optimism and idealism were wonderfully in tune with the times and because it seemed to express the rising liberal vision of the urban planning profession, but also because, however nebulously, it did express a real, concrete tendency in postwar urban development. What Webber captured, albeit often implicitly and at times obliquely, was the tendency toward equalization as it operated at the urban scale. Against this emphasis on equalization, David Harvey emphasized the opposite process, the differentiation of urban space, and stressed the importance of class beneath this differentiation process [16, p. 309]. From the standpoint of the 1980s, and from the above discussion, it should be clear that both positions express at least a half-truth, and that beneath their apparent theoretical con-
tradiction lies a real contradiction in the spatial constitution of capitalism. Harvey’s subsequent work has provided a more sophisticated treatment of the real contradiction involved [18; 19].

At the urban scale, the main pattern of uneven development lies in the relation between the suburbs and the inner city. The crucial economic force mediating this relation, at the urban scale, is ground rent. It is the equalization and differentiation of ground rent levels between different places in the metropolitan region that most determines the unevenness of development. In making this assertion, I am aware that other social and economic forces are involved, but many of these operate through the ground rent structure. The transportation system, for example, makes some locations more accessible and therefore (generally) more favorable, leading to higher land prices which represent nothing but higher capitalized ground rent. But as we might have expected, the chicken and egg question arises here: does a new transportation system restructure the ground rent surface, hence leading to new development, or do changes in the relative ground rent structure hasten development, thus necessitating new transportation systems? Certainly at the urban scale, the latter is the norm where fundamental alterations are concerned. This is the difference between suburbanization, a fundamental process in urban development, and ribbon development, which is relatively ephemeral; although clearly enhanced and encouraged by the development of the means of transportation, suburbanization was a product of deeper and earlier forces [45; 46]. Ribbon development, on the other hand is precisely the case where new transportation routes alter the pattern of accessibility and hence the ground rent structure, leading to new development that clings exclusively to the new route. Without the new road, railway, or canal, development would not have occurred.

The pattern of ground rents in an urban area is highly functional in that it is the mechanism by which different activities are allocated through the land market to different spaces. While managing or mediating this differentiation of urban space, ground rent is not in itself the origin of differentiation. Rather, the ground rent surface translates into a quantitative measure the actual forces tending toward differentiation in the urban landscape. These differentiating forces are of two major sources in contemporary capitalist cities. The first is functional, meaning the difference between residential, industrial, recreational, commercial, transportation, and institutional land uses. Within each of these categories there is a differentiation according to scale; large scale modern industrial plants tend to be geographically differentiated from small scale, labor intensive workshops, for example. The second force, and this applies mainly to residential land use, is differentiation according to class and race [17]. These two sources of social and functional differentiation are translated into a geographical differentiation mainly through the ground rent structure.

Having made this generalization about the pivotal role played by ground rent in the process of uneven development at the urban scale, it is necessary briefly to examine the issue of wage differentials. It is generally assumed that there is little spatial differentiation in wages across urban space, but in a recent insightful study, Allen Scott shows that on the contrary, at least in Toronto, and elsewhere in North America it would seem reasonable to assume, there is a distinct and systematic spatial pattern of wage differentials [35]. Scott finds that the farther one goes toward the urban fringe from the core, the higher are the wages. Interpreting this result, he suggests that while a number of other factors are important, the higher wages in the suburbs are predominantly the result of the relationship between supply and demand; where the supply of labor is least, due to lower densities, namely the suburbs, wages will be higher, and vice versa. Even if this is the case, differential wage rates are seen as a
result of the suburbanization of industry rather than its cause, since no matter how capital intensive are the industries that move to the suburban fringe, they will move despite, not because of, higher wages. In fact there is another possible interpretation of the data, suggesting a more direct relationship between the type and scale of industry and the wage rate. It is possible that the higher wage rates toward the suburbs are due to the fact that industries relocating in the suburbs tend to represent newer, more capital intensive, more advanced sectors of the economy where levels of skill and of unionization, and hence wage rates, are comparatively higher.

Scott admits this possibility though never lets it supplant the essentially neo-classical explanation based on supply and demand for labor. Ultimately, this question requires historical resolution, but as I shall argue, the actual history of suburbanization supports treating wage rates as the dependent variable, but dependent less on intraurban population density and more on the nature of the work process. This applies for the urban scale only; at the regional and international scales the opposite obviously pertains [24; 47].

The urban labor market is not strongly subdivided due to direct spatial constraints on access. Essentially, it is a single geographical labor market and that the developments of the transportation network have extended significantly the area over which the daily commute can be made, the tendency toward equalization has realized itself in reality at the urban scale. But this is equalization in a rather trivial sense. A far more fundamental equalization takes place historically in the ground rent structure. The traditional ground rent surface, assumed by neo-classical models, is usually described as a function or curve which declines with increasing distances from the center. This surface is purported to evolve because of the participation of different kinds of actors in the land market, each with different preferences for space and therefore with different “bid-rent curves.” Thus, when we disaggregate, we get the familiar result of intersecting curves, each representing a land use with a different rate of change. If we now disaggregate within residential land uses according to class, we get the equally familiar result of intersecting income curves—low income at the center, high income at the periphery. These ideal models of the urban land market are entirely consistent with the filtering model, and while they may have had some empirical validity in earlier years, they no longer describe the real urban ground rent structure. Today’s pattern, first recognized as early as 1929 by Homer Hoyt [36], is a bimodal curve of ground rent declining with increasing distance from the center. This pattern suggests the operation of both an equalization process and a differentiation process. On the one hand, the development of the suburbs has significantly reduced the general differential between central and suburban ground rent levels for any given location in the suburbs. But on the other hand, a “land value valley” has emerged in the inner city surrounding the central area. This area has been spatially differentiated from surrounding areas, giving it a ground rent level quite at variance with the assumptions implied in the earlier neoclassical bid rent models. With a different ground rent level, the potential
uses of this land are also quite different from those that would be consistent with the neo-classical model.

In order to understand the concrete origin of this pattern and to assess the potential for future land uses, it is necessary to make a more historical argument concerning uneven development. This brings us to the second aspect of uneven development to be considered, the valorization and devalorization of capital invested in the built environment. Notice that here there is an implicit assumption, opposite to that of the neo-classical model. While the neo-classical model emphasizes demand for and the consumption of space and assumes a geographical tabula rosa, we here focus on the production of space through the investment of capital and assume not a tabula rosa of urban space but a ground rent surface that is itself the product of previous investments of capital in the built environment.

THE VALORIZATION AND DEVALORIZATION OF BUILT ENVIRONMENT CAPITAL

Capital invested in the built environment has a number of special features, but the emphasis here is upon its long turnover period. Whether it is fixed capital invested in the direct production process or capital invested to provide the means of reproduction (houses, parks, schools, etc.) or the means of circulation (banks, offices, retail facilities, etc.) capital invested in the built environment is immobilized for a long period in a specific material form. The valorization of capital in the built environment—its investment in search of surplus value or profit—is necessarily matched by its devalorization. During the period of its use through immobilization in the landscape, the valorized capital returns its value piece by piece. The invested capital is devalorized as the investor receives returns on the investment piecemeal. The physical structure must remain in use and cannot be demolished, without sustaining a loss, until the invested capital has returned its value. What this does is to tie up whole sections of land over a long period in one specific land use, and thereby to create significant barriers to new development. But new development must proceed if accumulation is to occur. As well as creating barriers to the further valorization of capital in the built environment, however, the steady devalorization of capital creates longer term possibilities for a new phase of valorization, and this is exactly what has happened in the inner city.

Concerning capital invested in housing, the economic devalorization process is often marked by an obvious sequence of transitions in the tenure arrangements, occupancy, and physical condition of properties in a neighborhood. This downward sequence is referred to as the devalorization cycle. With capital invested in factories, offices, or retail outlets, the economic cycle of devalorization may not be marked by such a clear transition in tenure relations, occupancy, or physical conditions as it is in housing, but the devalorization cycle proceeds nonetheless. The only way to prevent this devalorization cycle is if capital is periodically invested in the form of repairs or replacements to the physical stock. Whether a residential neighborhood experiences the devalorization cycle, or whether the necessary repairs and replacements are made, depends on many things. If the neighborhood is predominantly owner occupied, it depends upon the ability and inclination of owners to finance the necessary repairs and replacements. If dwellings are predominantly rented, it depends more directly on the profitability of this investment compared with other plausible invest-

3 In a previous work [36], this devalorization cycle for housing was modelled in five stages: new construction and first phase of use, landlordism, blockbusting and blowout, redlining, abandonment. There the sequence was incorrectly described as a depreciation cycle rather than a devalorization cycle. Depreciation refers strictly to changes in price whereas devalorization is a deeper economic process implying the loss or negation of value as a necessary part of the valorization process [40].
ments for the landlord. In either case, landlords and homeowners are competing for mortgage and loan funds, and if the financial institutions have more profitable and less risky investment opportunities, then loans to small scale landowners will be limited and will carry high interest rates and other unfavorable terms. In a society where accumulation of capital is the central dynamic of growth, it is only "rational" that, in general, large scale, new construction attracts capital before small scale, piecemeal repair activity. The economic decline of inner city neighborhoods is therefore a "rational" predictable outcome of the free enterprise land and housing markets [5; 23].

Historically, this is precisely what has happened to cities in much of the advanced capitalist world. The pattern is clearest in North America where the state is least concerned to ameliorate some of the negative effects of the land and housing markets. Just as the devalorization of capital is implied in its valorization, the decline of the inner cities is implied in the more general expansion of urban areas, and particularly in the development of the suburbs. As Walker points out, a number of very complex forces are involved in the development of the suburbs. The following sketch is not meant to be a complete or even a balanced explanation of the process, but is meant to identify the key forces and processes involved in order to understand the necessary complement between suburbanization and inner city decline and the coherence of uneven development at the urban scale [46].

Suburbanization is the product of the interplay of the processes of equalization and differentiation at the urban scale. Fundamentally, it represents a considerable historical emancipation of urban social form from space. This process has several dimensions. First, since space is not an autonomous realm of reality, rather spatial relations and the spatial properties of matter are included in their natural properties [38; 39, Ch. 3], the emancipation from spatial constraint is part of the more general emancipation from nature. More concretely, capital accumulation and expansion leads to a specific annihilation of space by time at the urban scale. An expanding area of the non-urban periphery is brought into the sphere of urban space. In its spatial aspect, this explosive expansion of urban space has been led by the process of suburbanization. In that it progressively reduces all society to urban society, this urbanization of the countryside represents the most acute form of equalization of conditions of development under advanced capitalism.

As was noted above, the accumulation of capital lies behind the expansion of urban space and the equalization process. The accumulation of capital necessitates the accumulation of a growing labor market, and with the increased social centralization of capital along with the operation of agglomeration economies, there is a strong tendency for new and expanding productive activity to locate itself in urban areas. The social centralization of capital—its concentration in larger and larger quantities in fewer and fewer enterprises—is necessitated by the constant drive to accumulate [25, I, pp. 625–28], and this social centralization translates (at least partially) into a spatial centralization of capital. If this helps explain the explosive urban expansion of the nineteenth and twentieth century, it still remains to explain the differentiation between suburb and inner city. This differentiation was both the product of expansion and the means by which expansion occurred.

The earliest development of upper class residential suburbs was the spatial expression of two divisions of labor. In the first place, it represented the division between work and home, or rather, it came to represent this division as the middle class suburbanized, because many of the first suburbanites were not...
employed. But secondly, it also represented the division between classes, spatially expressed, since only in the most recent phase of suburbanization since the Second World War (in North America) has there been any appreciable working class suburbanization, and even then, it was the white, better paid sections of the working class who tended to suburbanize. Working class suburbanization followed the suburbanization of industry, which began in earnest after the 1890s. The suburbanization of industry was also, in part, a product of the progressive division of labor, particularly at the scale of the individual plant. As many labor processes were broken down into a larger number of simpler, less skilled tasks, the recombination of these separate activities into a single composite production process required more space. This was partly due to the multiplication in the number of individual tasks, partly due to the increased scale of machinery, and partly due to the fact that to remain competitive, productive units had to be larger. Thus, the division of labor and the necessary recombination of these divisions necessitated an expansion in the spatial scale of the production process. Movement to the suburbs, where ground rent was low, was the only economical alternative. It is not that suburbanization was the only alternative per se; it is just that at the period when suburbanization was taking place, the redevelopment of the established city was not an economical option. The center was still functional, meaning that it was still in the process of devalorization. And as shown above, there was a strong impetus toward an urban location, so the urban periphery became the rational locus for growth.

The development of the suburbs should be seen not so much as a decentralization process, as Walker [46] tends to do, but more as a continuation of the vigorous centralization of capital into urban areas. Yet, simultaneously, it was the internal differentiation of urban space. Thus the suburbanization of capital from the late nineteenth century onward was simultaneously the economic abandonment of the inner city both in terms of new construction and repairs. It is this spatial shift of capital investment that led to what has previously been labeled the rent gap [36]. Essentially, the devalorization of capital invested in the inner city built environment leads to a situation where the ground rent capitalized under current land uses is substantially lower than the ground rent that could potentially be capitalized if the land use were changed. This is because devalorization leads to physical decline, which in turn lowers the market price of the land on which the dilapidated buildings stand. When, and only when, this rent gap between actual and potential ground rent becomes sufficiently large, redevelopment and rehabilitation into new land uses becomes a profitable prospect, and capital begins to flow back into the inner city market.

To summarize, the investment of capital in the central and inner city caused a physical and economic barrier to further investment in that space. The movement of capital into suburban development led to a systematic devalorization of inner and central city capital, and this, in turn, with the development of the rent gap, led to the creation of new investment opportunities in the inner city precisely because an effective barrier to new investment had previously operated there. The issue to be examined now is the rhythm and periodicity of these movements of capital, and this is the third and final aspect of uneven development to be considered.

**REINVESTMENT AND THE RHYTHM OF UNEVENNESS**

The rhythm of unevenness in a capitalist economy is closely related to the broader rhythm and periodicity of the national and international economy. Thus Whitehand [51] has shown how urban expansion and suburbanization has taken place in consecutive waves occurring at particular points in economic boom-bust
cycles. As Harvey [18] has shown, there is a strong empirical tendency for capital to undergo periodic but relatively rapid and systematic shifts in the location and quantity of capital invested in the built environment. These geographical or locational switches are closely correlated with the timing of crises in the broader economy. Whereas from the perspective of neoclassical economics, crises are accidental interruptions in the general economic equilibrium, from the perspective of Marx, crises are the necessary product of an economic system based on profit, private property, and the wage relation. The necessity to accumulate, Marx shows, leads to a falling rate of profit and an overproduction of commodities and hence to crisis [25, III, Ch. 13]. The phenomena accompanying crises, including the movement of capital both locationally and between sectors, cannot therefore be dismissed as accidental but must be seen and explained as products of the structure of capitalist development itself.

By way of the simplest explanation, with falling rates of profit in the major industrial sectors, financial capital seeks an alternative arena for investment, an arena where the profit rate remains comparatively high and where the risk is low. At precisely this point, there tends to be an increase in the capital flowing into the built environment. The result is the familiar property boom, such as affected a number of cities throughout the advanced capitalist world from 1969 to 1973. But the question of where this capital flooding into the built environment will locate has no automatic answer. It depends on the geographical patterns created in the foregoing economic boom. In the case of the present crisis, the geographical pattern confronting capital was created through the dual process of suburban development and inner city underdevelopment. The underdevelopment of the previously developed inner city, meaning the systematic lack of capital investment in those locations, brought about the rent gap, and this, in turn, laid the foundation for a locational switch of capital invested in the built environment, simultaneous in part with a sectoral switch.

This locational switch is rarely smooth as is illustrated by recent dramatic fluctuations in new housing construction. Uneven development at the urban scale therefore brought not only gentrification—a relatively minor part of the process, in fact—but the whole gamut of processes: condominium conversions, office construction, massive redevelopment projects to build hotels, plazas, restaurants, marinas, and so on. All involve a movement of capital not simply into the built environment in general, in response very much to the approaching or already present economic crisis, but into the central and inner city built environment in particular. In this light, it is necessary to reassess, somewhat, our traditional liberal view that the state-subsidized urban renewal schemes of the 50s and 60s were a failure. Regardless of how socially destructive they were, they have been very successful economically in laying the foundation for the phase of redevelopment, rehabilitation, and land use conversion that is presently taking place [33].

Economic crisis both necessitates and provides the opportunity for a fundamental restructuring of the economy. Together with this economic restructuring comes a restructuring of social and economic space. Suburbanization was a concrete spatial response to the depressions of the 1890s and 1930s in the sense that suburban development opened up a whole series of investment possibilities which could help to revive the profit rate. With FHA mortgage subsidies, the construction of highways, and so on, the state subsidized suburbanization quite deliberately as part of a larger solution to crisis. Albeit a reversal in geographic terms, the gentrification and redevelopment of the central and inner cities functions as a substantial source of profit.
Gentrification is part of the restructuring of inner city residential space. It follows the previous and ongoing restructuring of office, commercial, and recreational space, and while this restructuring has a variety of functions, it operates primarily to counteract the falling rate of profit. In his National Urban Program, President Carter implicitly understood this. For the first time, the "revitalization of the cities" was seen as integral to the overall revitalization of the U.S. economy. This implicit realization is symbolized by Carter's attempt to create a new government department by consolidating HUD and the Economic Development Administration into the Department of Development Assistance. The program never came to fruition, of course, but it was an ambitious state plan to lubricate the restructuring of urban space in the name of national economic revitalization. President Reagan's attempt to return responsibility for redevelopment to the private market should be a sufficient test of the robustness of the process.

While gentrification represents the leading edge of spatial restructuring at the urban scale, the process is also occurring at the regional and international scales. And while the urban scale may in the end be the least significant in terms of the overall restructuring of the world economy, in the attempt to prepare it for another phase of sustained capital accumulation and expansion, still at the urban scale, the internal logic of uneven development is most completely accomplished. The logic behind uneven development is that the development of one area creates barriers to further development, thus leading to underdevelopment, and that the underdevelopment of that area creates opportunities for a new phase of development. Geographically, this leads to the possibility of what we might call a "locational seesaw": the successive development, underdevelopment, and redevelopment of given areas as capital jumps from one place to another, then back again, both creating and destroying its own opportunities for development.

There are clearly severe limits to the possible extent of this locational seesawing. At the international scale, where, with few exceptions, the distinction between developed and underdeveloped nations is rigidly set, the process occurs not at all. At the regional scale, it is too early to predict; the future of some presently depressed areas in New England, Central Scotland, and Northeast England will be of particular importance, since in each there is just the beginnings of new investment alongside precipitous decline. Only at the urban scale has this seesawing begun to complete a single cycle. Once developed, then underdeveloped, the central and inner cities are again in the midst of an active redevelopment. I am not at all suggesting an end to suburbanization; just as new construction and repairs continued in the city during the most vigorous period of suburbanization, the urbanization of the countryside will also continue, with the emphasis increasingly on the areas beyond the present suburbs. This is clear, if for no other reason than that central and inner city redevelopment, while it can absorb massive quantities of capital in the process of economic restructuring, can never be the exclusive geographical focus for reinvestment. The scale at which economic restructuring is necessary in the present crisis will make central and inner city redevelopment only a small part of the overall restructuring process. The differentiation of the city from the suburbs, through redevelopment and the probable decline and underdevelopment of selective suburbs, will be matched by the continued urbanization of the countryside.

CONCLUSION

In the beginning it was suggested that revitalization was rarely an appropriate term for gentrification, but we can see now that in one sense it is appropriate. Gentrification is part of a larger redevelop-
opment process dedicated to the revitalization of the profit rate. In the process, many downtowns are being converted into bourgeois playgrounds replete with quaint markets, restored townhouses, boutique rows, yachting marinas, and Hyatt Regencies. These very visual alterations to the urban landscape are not at all an accidental side-effect of temporary economic disequilibrium but are as rooted in the structure of capitalist society as was the advent of suburbanization. The economic, demographic, lifestyle, and energy factors cited by Berry as well as the back-to-the-city school are relevant only after consideration of this basic explanation in terms of uneven development at the urban scale.

The conclusions presented here are certainly tentative, no matter how firm the theoretical fundament on which they are based. In order to sketch the entire analysis it has been necessary to cut many corners and omit much detail, some of it at least which would raise questions about the interpretation given here. The entire analysis raises far more questions than it answers. If it succeeds only in setting some of the foundation for the debate over the future of the central and inner cities, it will have been eminently worthwhile. As regards empirical validation of the perspective presented, meaningful data on the trajectory of inner city redevelopment is scarce. Jane’s data on Atlanta and Washington, D.C., for example, seems to confirm the relationship between gentrification and economic crisis [21, p. 169], but the problem with most such building permit data is that it is impossible to tell definitively which repairs and replacements truly represent gentrification. To emphasize the need for empirical verification of the hypotheses and analysis presented is merely to state the obvious.

Gentrification, and the redevelopment process of which it is a part, is a systematic occurrence of late capitalist urban development. This is not to say it has never occurred before, only that it has never been so systematic. The following quote from 1872 [10, pp. 71-4] lends historical perspective to the present analysis:

In reality the bourgeoisie has only one method of settling the housing question after its fashion . . . This method is called “Haussman,” . . . By “Haussman” I mean the practice, which has now become general, of making breaches in the working-class quarters of our big cities, particularly in those which are centrally situated, irrespective of whether this practice is occasioned by considerations of public health and beautification or by the demand for big centrally located business premises or by traffic requirements, such as the laying down of railways, streets, etc. No matter how different the reasons may be, the result is everywhere the same: the most scandalous alleys and lanes disappear to the accompaniment of lavish self-glorification by the bourgeoisie on account of this tremendous success, but—they appear again at once somewhere else, and often in the immediate neighbourhood. . . . This is a striking example of how the bourgeoisie settles the housing question in practice. The breeding places of disease . . . in which the capitalist mode of production confines our workers . . . are not abolished; they are merely shifted elsewhere!

The similarity between 1872 and the present day is obvious. The difference is that the example Engels describes was isolated, if not unique, whereas today the process is virtually universal. Much as capitalism strives toward the annihilation of space by time, it also strives more and more to produce a differentiated space as a means to its own survival.

A predictably populist symbolism underlies the hoopla and boosterism with which gentrification is marketed. It focuses on “making cities liveable,” meaning liveable for the middle class. In fact, of necessity, they have always been “liveable” for the working class. The so-called renaissance is advertised and sold as bringing benefits to everyone regardless of class, but available evidence suggests otherwise. According to HUDs Annual Housing Survey, approximately 5000,000 U.S. households are displaced each year [44], which may amount to as
many as 2 million people. Eighty-six per-
cent of these households are displaced by
private market activity, and they are pre-
dominantly urban working class. The
federal government has sidestepped the
problem of displacees, claiming alter-
nately that there is no accurate data on
displacement, that it is an insignificant
process compared to continuing subur-
banization, or that it is the responsibility
of local government [15]. Further, the so-
called renaissance is generally sold as a
means to raise the cities’ tax revenues and
to decrease unemployment, but there is
little evidence that this has in fact
occurred. Urban unemployment has con-
tinued to rise, and in some instances,
property taxes were held down to subsi-
dize gentrification [37].

In connection with the present eco-
nomic crisis, a massive restructuring of
industrial production activity is afoot.
The restructuring, through gentrification,
of working class communities—the locus
of the reproduction of labor power—is
not separate from this restructuring of the
production process. In both it is becom-
ing increasingly clear that there is a class
struggle over the use and production of
space. Gentrification is part of a larger
class strategy to restructure the economy,
strategy which leaves the basis of ex-
ploration (the wage-labor relation)
intact. Just as economic restructuring (in
the form of plant closures, runaway
shops, social service cuts, etc.) is carried
out to the detriment of the working class,
so too is the spatial aspect of restructuring
at the urban scale—gentrification and
redevelopment. While opposition to this
strategy has developed in Europe, it is as
yet more sporadic and less organized in
the United States.

**Literature Cited**


