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DEINDUSTRIALIZED SMALL CITIES AND POVERTY

The view from Camden

Andrew Seligsohn and Joan Maya Mazelis

Introduction

Camden, NJ, has achieved infamy as an emblem of urban failure. Long the poorest small city in the United States and now simply the nation’s poorest city, Camden is also the nation’s most dangerous city (CQ Press, 2012; Vargas, 2012). In nearly every dimension of social, economic, and civic experience, the evidence of dysfunction is overwhelming. Poverty saturates Camden. Virtually every resident of the city is poor or nearly poor. The city government itself is starved for cash. Almost without exception, Camden’s residential neighborhoods are poor neighborhoods. Unlike most other cities facing high rates of poverty, Camden does not contain concentrated wealth and concentrated poverty. It contains only concentrated poverty.

The State of New Jersey has spent enormous sums of public money in Camden in recent decades without apparent impact on the social problems plaguing the city. In the domain of education, the story begins in 1985 with the first of the Abbott decisions, a series of decisions by the State Supreme Court holding that the New Jersey Constitution requires roughly equal funding of public schools (Walker, 2005). As a consequence, the Camden City Public School District receives a healthy per-pupil allocation, very little of which comes from taxes paid by Camden residents. The same pattern manifests in other areas. Under special legislation passed in 2002 and extended in 2007, the state allocated roughly $175 million for capital projects to rebuild Camden (Katz, 2009). Under its current transitional aid program, the State of New Jersey directs tens of millions of dollars to Camden each year to help it close its gaping structural budget gap (DeMarco, 2011). Federal grants for projects such as Hope VI, special allocations for economic development from the Delaware River Port Authority, and a variety of other public expenditures add to the accumulated public investment over the last three decades (Mulvihill, 2011; U.S. Department of Housing and Urban Development, 2004).

And yet, Camden’s problems persist. More than 42 percent of its residents live below the poverty line, including more than half of all Camden children (U.S. Census Bureau, 2011). In 2012, Camden’s murder rate of more than 80 per 100,000 residents was 16 times higher than the national average (Laday, 2013a; Tucker, 2012). When New Jersey identified the lowest-performing 1 percent of schools statewide, 23 of Camden’s 26 district schools were on the list (Giordano, 2012; New Jersey Department of Education, 2012). Camden’s dismal economy compounds these problems. Nearly one quarter of parcels in Camden are officially vacant or
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have an assessed value of $0, typically an indicator of abandonment (CamConnect, 2009). A great many of those are locked in tortuous legal complexities that make it nearly impossible for even the most courageous entrepreneur to launch a business in the city (Vargas, 2011). Without a functioning private sector, Camden faces an enormous structural deficit. The city can raise just $30 million annually through local taxes but requires roughly $600 million to provide essential services (CamConnect, 2010a).

In the face of hundreds of millions of dollars of public expenditures, Camden’s distress is resilient. In light of its history of corruption and the presence in the city of a thriving drug trade, it is easy to see Camden’s problems as emanating from within, while sincere but naïve and ultimately doomed efforts to solve those problems come from without (Gillette, 2005). But in Camden, as in other impoverished small cities facing economic and social collapse, a closer examination reveals a different picture. This chapter argues that the story of the city’s economic rise and collapse reveals a great deal about the relationship between processes of globalization and immiseration against the backdrop of the emerging neoliberal order. We best understand Camden’s ongoing crisis not as a manifestation of characteristics inherent in the city but as a manifestation of global historical processes with profoundly local consequences. Those consequences include not only the suffering of individuals and communities in Camden but also the occlusion of democracy in governing the city’s affairs.

Camden’s rise

Camden emerged as a small economic powerhouse as industrialization took off nationally in the first half of the twentieth century. Between 1900 and the early 1950s, Camden’s population grew from about 75,000 to roughly 125,000 (Gillette, 2005). Through a combination of major industrial producers, smaller manufacturers, and ancillary businesses, Camden was home to 180,000 jobs at its peak in 1955 (Annie E. Casey Foundation, 2001). The local economy grew in direct relationship to the increasing projection of economic, political, and military power by the United States on a global scale.

The histories of Camden’s three main employers during its industrial period, New York Shipbuilding (based in Camden, despite its name), RCA Victor, and Campbell’s Soup, capture the link between Camden’s prosperity and the changing geo-political context. New York Shipbuilding (New York Ship), founded in 1898, became a major contractor for the Department of Defense. The company employed tens of thousands of workers building some of the largest ships in the world, including aircraft carriers. Both world wars represented important growth opportunities for the company, as the United States relied on New York Ship and other large-scale producers to create a military no other country could challenge (Gillette, 2005).

RCA Victor benefited both directly and indirectly from the military and economic aspects of globalization. RCA Victor’s Camden origins lie in the founding of the Victor Talking Machine Company in 1901. Victor merged with the Radio Corporation of America to form RCA Victor in 1929. While it is best remembered for entertainment technologies, RCA Victor made a good deal of its money as a defense contractor, supplying communications equipment to the military. Like New York Ship, it benefited from U.S. involvement in World War II, and, as a marketer of consumer products, RCA Victor benefited from the increasing access to global markets guaranteed by the prominence of the United States on the world stage (Cowie, 1999).

Even Campbell’s Soup benefited significantly from World War II. Best known as a provider of nutritious meals to America’s families, Campbell’s supplied non-perishable meals for soldiers during both world wars, a growth opportunity that supported a massive expansion in
its productive capacity and gave it experience in global supply-chain development. Campbell’s recognized the opportunity for its non-perishable products in global markets and took advantage of the increasing reach of the United States’ influence and transportation capacity to extend its sales globally (Sidorick, 2009).

All three of these companies capitalized on Camden’s inherent advantages and contributed to making Camden a magnet for migrants and immigrants. Camden is situated in the nation’s most densely populated corridor, with road and rail links in all directions and a port of its own. New York Ship benefited directly from Camden’s ocean access through the Delaware River, while Campbell’s relied for decades on Camden’s access to South Jersey’s rich agricultural land, especially its tomato crop (Sidorick, 2009). Camden’s companies connected local assets to global opportunities in the first half of the twentieth century, which positioned them to shape local life in Camden. Whole neighborhoods in Camden emerged to provide housing to the booming population, notably Yorkship Village, a federally funded planned community of 1,000 homes built during World War I to house new employees at New York Ship (Childs, 1918). The entire local economy stood on the shoulders of these towering pioneers of global industry. In 1955, Camden was the beating heart of South Jersey (Annie E. Casey Foundation, 2001).

**Camden’s fall**

If 1955 was Camden’s high-water mark, the next decade revealed the impermanence of Camden’s strength. By the early 1960s, employment in Camden was declining, as the same forces that helped it succeed began to engineer its failure. While the particulars varied among Camden’s employers, the direction of change was the same for all—sharply down.

Increasing global competition, the demand for ever-larger ships, and the decline in contracts from the U.S. Navy hampered and ultimately felled New York Ship. As new producers entered the shipbuilding business during and after World War II, older producers did not have the facilities to build the increasingly large ships that were in demand (Broadbridge, 1965; Palmer, 1988). The development of enormous new factories with updated technology left New York Ship at a disadvantage from which it could not recover. New York Ship’s contracts began to decline in the late 1950s, and the company shut its doors in 1967 (Gillette, 2005).

During this same period, RCA and Campbell’s began moving production out of Camden to low-wage areas, first in the United States and then abroad (Cowie, 1999; Sidorick, 2009). These developments accelerated as both companies felt the pressure of global competition, forcing them to build new, more efficient factories and hold wages down. As the major employers contracted, small businesses failed for lack of customers. New business creation moved to the suburbs, where land was cheap. In the 25 years between 1955 and 1980, Camden lost nearly 50,000 residents, and tens of thousands of jobs. Population loss led to a precipitous decline in property values, eroding the wealth of those who continued to own houses in the city. The city’s tax base evaporated and, just as joblessness created increasing need for city services, government capacity deteriorated (Gillette, 2005).

Not surprisingly, Camden’s out-migration was racially determined. White and middle-class flight was a common component of residential mobility and suburbanization in the post-World War II era (see, for example, Wilson, 1987, 1996). Many non-white families could not even consider leaving the city as the jobs disappeared. Decades of wage discrimination and over-exposure to layoffs in down times had prevented them from accumulating the wealth necessary to buy houses in the suburbs (Cowie, 1999; Sidorick, 2009). Housing discrimination in the emerging suburbs made it difficult for Camden’s African-American and Latino populations to find housing in the suburbs if they could afford it (for discussions of these issues on a national scale, see Jackson, 1985; Massey and
Denton, 1993). By the time federal regulation began to reduce housing discrimination in the late 1960s, the decline in Camden property values had trapped African-American and Latino residents in houses whose sale would not yield enough money for a down payment on a suburban house. When riots tore through Camden in 1971, they further damaged a very troubled city. By the time the crack epidemic engulfed Camden in the 1980s, the city’s population was already overwhelmingly black or brown and poor (Gillette, 2005; Sidorick, 2009).

If the enmeshment of the United States in the global political economy spurred Camden’s prosperity in the first half of the twentieth century, it also caused Camden’s misery in the second half. As the rest of the country experienced the boom of the late 1990s, Camden emerged as a paradox: How could a city so favorably positioned be unable to take advantage of the prosperity all around it? As a small municipality that had been fully drained of its wealth, Camden lacked the capacity to take advantage of the apparent opportunities presented by national and regional economic growth. Without even the pockets of wealth that saved larger cities, Camden had nothing to build from. Its small size made it easy to bypass. A victim of the ups and downs of globalization, Camden found itself disconnected from larger economic forces, stripped of the elements that allow a city to link itself to favorable processes in its region.

Neoliberalism as the solution?

Having surfed and then crashed on the wave of globalization, Camden became, in the final decades of the twentieth century, unable to control its destiny. As a consequence, a coalition of regional political and economic elites has driven policy in and for Camden since the 1980s (Gillette, 2005; Knoche, 2005). While the intentions of this coalition with regard to Camden have changed dramatically over that period, a consistent theme has emerged: The privatization of government functions has replaced residents’ democratic control of their city. The reality of poverty in Camden is the nearly literal disfranchisement of its residents by the removal of all important matters from the control of those directly affected. With diminished numbers and virtually no wealth, Camden’s residents have lost the tools to win political battles and maintain control of their city.

The political foundation for the imposition of a regional neoliberal order is the Democratic Party machine that emerged in Camden County in the 1980s and came to control much of South Jersey politics and policy in subsequent decades. As Camden City’s population declined, it became a relatively small fraction of Camden County’s population. County politicians no longer depended on city votes for election and no longer concerned themselves with the city’s interests. Camden County began to view Camden City as a dumping ground. As the Camden County Democratic Party developed into a sophisticated machine, with control of employment and contracting for nearly all regional public agencies, its leaders acted on the changing political dynamic by siting waste facilities and prisons in the city, accelerating its downward spiral. With access to enormous reserves of political money, the county machine began to control Camden City politics directly, funding the campaigns of favored candidates to a degree that made competition impossible and providing paying jobs to many elected city officials (Annie E. Casey Foundation, 2001; Gillette, 2005; Knoche, 2005; PhillyMag, 2006).

Lacking democratic accountability, city institutions became increasingly dysfunctional. By the turn of the century, a consensus had emerged that Camden City could not govern itself, leading to the special recovery legislation that created a chief operating officer for the city, appointed by the governor, and gave effective control of the Board of Education to the state (Gillette, 2005; Katz, 2009; Knoche, 2005). Not surprisingly, participation in local elections declined rapidly as the pointlessness of action became evident (Camden Churches Organized...
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for People, 2009). By the time local control was restored in 2010, the local electorate had effectively disappeared (CamConnect, 2010b).

In this environment, a broad range of traditional government functions has been withdrawn from democratic control by city residents. Nearly all planning work in the city is carried out by a non-profit organization called Cooper’s Ferry Partnership (CFP), whose board consists of leaders of the major institutions and corporations in the city. CFP planned the waterfront development that, beginning in the 1980s, has brought several entertainment and business venues to the city, but has not effectively spurred revitalization. Currently, CFP leads downtown and neighborhood planning efforts. Organizations connected to CFP are well positioned to take advantage of state, federal, and foundation funding. While CFP arguably operates in the interests of Camden’s residents, it is controlled not by those residents but by the regional elites who compose its board and give it access to funding streams (Gillette, 2005; Knoche, 2005; Lindsay, 2012).

Public education is following the same path as planning. To begin with, ever fewer school-age students attend schools operated by the Camden City Public Schools; the district enrolled 16,955 students in 2003–04 and just 12,767 in 2011–12—a 25 percent decline (CamConnect, 2008; Camden City Public Schools, 2012). With support from the county Democratic Party machine and major institutions such as Rutgers University and Cooper Hospital, charter schools and a new category known as renaissance schools are beginning to dominate the city’s education landscape, with nine charter schools already in existence and additional charter and renaissance schools in the works (Friedman, 2011; Mooney, 2012; New Jersey Department of Education, n.d.; Vargas, 2013a). While the failure of the Camden City public schools is evident to all, these new forms of school organization remove control of education from residents most affected by that failure. Many of the new schools are funded directly by wealthy individuals active in county and regional politics. Thus far, they have not demonstrated their ability to improve academic performance, but they retain the support of regional elites. In May of 2013, the Camden school district itself was formally taken over by the State of New Jersey Department of Education, removing the last vestige of local democratic control over education in the city. The two school board members who voted against approving the state takeover were subsequently replaced by new mayoral appointees as the board shifted to a strictly advisory role (Vargas, 2013b).

The same pattern is evident in public safety and policing. In April 2013, the Camden Police Department was disbanded, and policing in the city was taken on by the Metro Division of a new Camden County police force. Camden City is, oddly, the only municipality of the 37 in the county to choose to participate in this force (Economist, 2013; Zernike, 2012). So the police force that governs only Camden City is entirely under the control of Camden County. The change was made primarily in order to terminate the contract between the city and the police union (Laday, 2013b). While the change will result—at least initially—in a substantial increase in the number of officers policing the city, it will also create an even greater distance between city residents and the police who exercise great power over their daily lives.

Camden’s poverty in the new global order

Camden thrived as globalization pumped wealth into America’s growing industrial cities. It collapsed as the logic of globalization punished the city for its generous wages and hulking but aging industrial infrastructure. It is now experiencing significant reinvestment, guided by the very regional elites who used the city as an outlet for the negative byproducts—chemical, biological, and human—of late industrial capitalism (Gillette, 2005; Knoche, 2005; Osborne, 2011). Those same elites have concluded that the region in which their financial interests are located cannot succeed with Camden as a weight. So they are attracting public and private money for new
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development and infrastructure improvements as they seek to fix the education and public safety problems that have made the city deeply unattractive to investors and individuals. While many of these developments hold the potential to benefit Camden’s residents—by restoring a tax base to fund city services, improving education, and providing better police protection—they are entirely out of the control of Camden’s overwhelmingly poor and minority population. With a lag of several decades, Camden’s deindustrialization has ultimately produced its de-democratization.

Note
1 Exact numbers are disputed. Gillette (2005) cites a high of 62,564 jobs in Camden at its peak, but the Annie E. Casey Foundation (2001) estimates Camden had 180,000 jobs at its peak. Currently there are between 23,000 and 30,000 jobs in Camden.

References


