What is wrong with gentrification?

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This essay poses the question, ‘What is wrong with gentrification?’ I explore five harms that are associated with gentrification: residential displacement; exclusion; transformation of public, social and commercial space; polarization; and homogenization. Drawing on examples from Toronto, I consider whether these outcomes are associated with gentrification and if so, whether they are harmful. I conclude that there are good reasons to worry about the displacement of current residents, but less cause to be concerned about the exclusion of nonresidents. The desire to remain in a gentrifying neighborhood is one example of ‘the problem of expensive tastes’ and luck egalitarian theory provides reasons to accommodate this preference. The transformation of public/social space, polarization, and homogenization may be harmful or beneficial, depending on the composition of the city as a whole and the power dynamics involved in the transformations.

Keywords: gentrification; luck egalitarianism; democracy; territoriality; polarization

In April 2010, David Hulchanski released an update to his influential study ‘The Three Cities Within Toronto: Income Polarization Among Toronto’s Neighbourhoods, 1970–2000.’ The report vividly documented the spatial dimension of the increasing income inequality in the region. In the period from 1970 to 2006, 20% of Toronto neighborhoods saw dramatic increases in prosperity while 40% saw significant declines. North central Toronto consolidated its status as an elite enclave while the inner suburbs of Scarborough and parts of North York have been transformed from middle-class neighborhoods to low-income areas. Downtown Toronto also experienced a dramatic transformation during this period, as primarily working-class neighborhoods gentrified, creating a patchwork of wealthy, middle-income, and poor neighborhoods. Similar changes have been taking place in cities across North America.

The article poses the question: what is wrong with gentrification? The methods employed are conceptual and normative rather than empirical. The conceptual component of the paper examines the literature on gentrification and identifies five harms associated with gentrification: residential displacement; exclusion; transformation of public, social and commercial space; polarization; and homogenization. This typology can help empirical researchers and policy-makers assess the harm of gentrification in a more systematic way. The main contribution, however, is normative analysis. This article asks whether these changes should indeed be construed as harmful and if so, whether they are the types of harms that can be remedied through public policies. In the existing literature, harm or injustice is often assumed but not explained or defended. Implicit in the critique of gentrification is the claim that justice requires that poor people should have access to high-cost housing but not necessarily to other luxury goods. This position initially appears

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contradictory or counterintuitive; by introducing the distinction between displacement and replacement, I defend this principle, at least as applied to current residents. By employing the tools of normative political theory, I explain why public policy should be structured to prevent the displacement of current residents of gentrifying neighborhoods.

Some commentators have pointed out that the recent shift in the academic literature from harsh criticism to enthusiastic defense of gentrification is entirely predictable (Allen 2008). Many academics live in hip but gritty downtown neighborhoods (or wish they could) and they tend to sympathize with the cultural account of gentrification as an expression of an esthetic preference for historic architecture, diversity, and density (Caulfield 1994; Zukin 2011). Yet, many gentrifiers are also themselves critics of gentrification. They complain when a Starbucks or a condo complex moves into their neighborhood and some worry that the process of neighborhood transformation will ultimately displace low-income residents (Ley 2003). Is it a performative contradiction for a gentrifier to criticize gentrification? This paper seeks to answer this question by examining the cogency of arguments about the harms of gentrification.

1. What is gentrification?

In his path-breaking book *New Urban Frontier*, Neil Smith (1996) described gentrification as ‘the process by which poor and working-class neighborhoods in the inner city are refurbished by an influx of private capital and middle-class home buyers and renters’ (30). Smith emphasized the importance of structural economic factors in understanding gentrification. For Smith, the key factor is the ‘rent-gap’, a cycle of disinvestment that ultimately renders poor neighborhoods potentially profitable sites of reinvestment. This is an important force driving gentrification, but other commentators have emphasized the cultural dimension of the phenomenon (Caulfield 1994; Butler 1997; Ley 2003, 1996). The term gentrification also points toward a link between demographic, economic, cultural, and spatial change and depicts this process in a negative light. City officials may promote mixed-income neighborhoods, livable cities, urban renaissance, revitalization, and renewal, but almost no one defends gentrification.

The multifaceted character of gentrification was apparent even in the earliest use of the term (Glass 1964). Ruth Glass coined the term gentrification to link together a demographic process (the replacement of working-class residents by middle and upper-class residents) and a spatial transformation (conversion of rental units and rooming houses into larger single-family homes) and to make empirical claims about the trajectory of this process. Crucially, she argued that once this process has started, it continues until almost all of the original residents have been replaced. The result is the radical cultural transformation of a neighborhood. While the built environment may be modified only slightly, the character of the neighborhood is destroyed and replaced by something different. Some scholars describe gentrification as a three-step process that begins with an influx of new residents with low financial capital but high cultural capital (artists, bohemians); they are followed by middle-class people who are drawn to the funky atmosphere and low prices; finally, the neighborhood is transformed to the point where it becomes attractive to developers and upper middle-class professionals. Jason Hackworth (2002) captured the core meaning succinctly when he defined gentrification as ‘the production of space for progressively more affluent users’ (p. 815).

Critics have identified five primary harms of gentrification: residential displacement; exclusion; transformation of public, social and commercial space; polarization; and homogenization (Slater 2006; Lees 2000, 2008). Residential displacement and exclusion...
are terms that explain the decline in the number of poor and working-class residents. Displacement happens when landlords increase rents in order to profit from demand for units in the area. If there are no laws stabilizing rent and regulating tenancy, then high-income earners simply outbid the original residents. Scholars have also pointed out that even in places like Ontario, where rent increases are capped for the duration of the tenancy, market pressures can drive out the poor. In a gentrifying neighborhood, landlords have no incentive to negotiate with tenants who fall behind on their rent payments. It is in the landlords’ economic interest to pursue eviction rather than negotiation since they can lease empty units at a higher rent (Slater 2004). Another mechanism for displacing long-time residents is the conversion of rental units into condos or single-family dwellings. In a hot property market, landlords have an incentive to cash out and low-income tenants, who cannot afford to purchase a home, must move out of the neighborhood. Gentrification also entails the transformation of social space. This occurs through commercial displacement as well as political activity that changes the physical environment and the rules governing public space. Commercial displacement can happen in two different ways. Either businesses close because they cannot afford the increasing cost of rent in a gentrified neighborhood, or they lose their traditional customer base and are no longer profitable.

The term exclusion reminds us that gentrification not only affects the current residents of a neighborhood, but also harms potential residents who are prevented from moving into a neighborhood because of rising costs. For example, in Little Portugal, a gentrifying neighborhood in West Toronto, 66.4% of the long-standing Portuguese residents are homeowners and therefore less vulnerable to displacement (Murdie and Teixeira 2011, p. 10), but rising home prices in the area make it difficult for the children of residents to establish their own households and prevent new immigrants from moving into the neighborhood. Conversion to single-family homes can also decrease the total stock of rental units, thereby excluding renters from an area.

Many people assume that gentrification must involve residential displacement given that gentrification is sometimes defined as the replacement of low-income residents by high-income residents. But replacement and displacement are conceptually distinct and there has been a great deal of debate about whether displacement does indeed take place and if so, whether the phenomenon is widespread (Vigdor 2002). The empirical record seems to be mixed. In one recent study of two neighborhoods in New York City, Lance Freeman (2005) found that displacement is not a significant force driving change in gentrifying neighborhoods. By comparing the mobility of poor people who live in gentrifying neighborhoods with those who do not, he found a difference of just 1%. On the other hand, Rowland Atkinson’s longitudinal study of residential patterns in London concluded that there is reason to believe that some displacement is driven by gentrification. It is beyond the scope of this article to provide new data to strengthen one side of the debate. Instead, I will examine the normative arguments about displacement and exclusion separately. There are different types of gentrification and some are more harmful than others.

Even if gentrification is driven by replacement rather than displacement, the outcome may still be construed as harmful to the polity. The terms ‘homogenization’ and ‘polarization’ highlight negative aspects of gentrified neighborhoods (Lees 2008). The term homogenization criticizes gentrified neighborhoods for turning into elite enclaves or coming to resemble upscale malls. Polarization describes the opposite phenomenon. In neighborhoods where rent-controlled housing and expensive residences are in close proximity, the result may be what Robson and Butler (2001, p. 78) describe as ‘tectonic’: social groups are like tectonic plates which come into contact with one another, but this contact takes the form of disruptive collisions.
2. The libertarian approach to gentrification

Are these five processes occurring and if so, are they good reasons to oppose gentrification? Do current residents and/or nonresident poor people have a legitimate claim to housing in high-cost downtown neighborhoods and does this claim imply an obligation on the part of the government to provide it? In ‘Housing and Town Planning’, Friedrich Hayek answers with an emphatic ‘no.’ Writing in the 1950s, gentrification was not his focus. Instead, he was concerned about the ways that public housing would distort urban property markets and exacerbate housing shortages. According to Hayek, urban land is desirable because of its commercial and industrial uses; it can therefore command a higher purchase price and rent. In a free market, each individual decides whether the benefits of urban living outweigh other preferences such as working fewer hours, having more space, transportation time, etc. If the government tries to lower the cost of housing, either directly through subsidy or indirectly through regulation, it makes the true cost less transparent, rendering it impossible for individuals to calculate their preferred trade-offs. It also does nothing to alleviate the problem of excess demand and provides no fair alternative way of allocating housing. According to Hayek (1960),

(Public housing) amounts to a stimulation of the growth of cities beyond the point where it is economically justifiable and to a deliberate creation of a class dependent on the community for the provision of what they are presumed to need…. Providing them with much better quarters at an equally low cost will attract a great many more. The solution of the problem would be either to let the economic deterrents act or to control directly that influx of population; those who believe in liberty will regard the former as the lesser evil.

Versions of this argument are still popular and not only on the right. The core intuition is that middle-class people often move to the suburbs and endure long commutes because it is the only way to afford enough space for a family. Why then should public housing residents have access to the most expensive real estate downtown when they could be rehoused at lower cost in cheaper areas such as the inner suburbs?

Hayek’s analysis in ‘Housing and Town Planning’ is relevant to the issue of gentrification for at least two reasons. First, following Hayek’s logic, gentrification is not a problem but rather a morally neutral and perhaps even desirable consequence of market principles. Paying higher rents in the city is a rational investment for those workers who will benefit from access to highly paid jobs; for workers who are unable to command a higher salary, it makes more sense to live in lower-cost areas. People sort themselves into neighborhoods based on their ability to pay, which reflects the productivity of their labor (see also Tiebout 1956). For Hayek, this is no injustice because city living is a luxury rather than a basic need. He assumes that poor people could remain in rural areas where the lower cost of living makes it easier to be self-supporting. If companies want to attract workers to the central city, they will be forced to pay correspondingly higher wages.

In ‘Housing and Town Planning’, Hayek also provides reasons for his opposition to public housing and the logic of this argument is relevant to debates about gentrification. He points out that the free market mode of allocation may have disadvantages, but it is hard to come up with a fair alternative. Subsidizing housing in the city increases demand. If housing is not allocated through market mechanisms, then it must be allocated in some other way. The 10 year-long waitlist for access to subsidized housing in many cities, including Toronto, is one manifestation of this challenge.

It might be tempting to dismiss Hayek as a libertarian with no interest in social justice, but there is also a similar concern that emerges from left-wing egalitarian theory where it
is called the problem of expensive tastes. The theoretical debate about expensive tastes is useful in unpacking opposing views about the harms of gentrification. The core question is whether people should receive extra resources in order to enable them to live in neighborhoods that became expensive due to gentrification. Drawing on the work of Gerry Cohen, I will argue that long-time residents of gentrifying neighborhoods did not choose to develop their ‘expensive taste’ for downtown living and, therefore, they deserve the extra resources that would enable them to satisfy this preference. In order to make this argument, the next section will introduce three key concepts from normative theory: sufficientarianism, luck egalitarianism, and expensive tastes.

3. Gentrification and egalitarianism

Equality can be interpreted in many different ways (Anderson 1999; Sen 1980). Some political philosophers argue that justice requires that society redistribute income to the point where inequalities do not exclude people from full membership in society (Walzer 1983; Anderson 1999). Rather than trying to achieve complete economic equality, this ‘sufficientarian’ approach emphasizes the need to ensure a decent standard of living for all by decommodifying necessities or guaranteeing a minimum income (Benbaji 2005; Huseby 2010; Frankfurt 1987, 1997). In this section, I draw on the sufficientarian approach not because I endorse it as the best standard of justice, but rather because it is an intuitively plausible guide for thinking about policy issues under current conditions (Arneson 2002). The second important theoretical concept is ‘luck egalitarianism’, which holds that inequalities caused by bad luck are morally problematic in a way that inequalities produced by choice are not. It is a widely shared moral intuition that we are responsible only for those actions that we caused (our choices) and not for outcomes that are beyond our control (luck). The third concept, ‘the problem of expensive tastes’, is a way of describing the fact that an equal distribution of resources does not necessarily secure equal well-being. This is because a person with expensive tastes ‘needs more income than others simply to achieve the same level of welfare as those with less expensive tastes’ (Cohen 1989; Dowrkin 2000).

These three concepts help unpack the normative questions raised by gentrification, especially when gentrification takes the form of displacement. The following hypothetical example illustrates the policy implications of the normative question. Imagine a city called Sufficientlandia in which all low-income households are provided with a sliding scale subsidy that makes it possible to pay the average cost of rent for an appropriately sized apartment in the city. Should people who currently live in gentrifying neighborhoods (places where market rents were below average but are now above average) receive a supplement that enables them to pay the new higher-than-average rent? A real-world illustration of this dilemma arose recently in Toronto. The Toronto Community Housing Corporation (TCHC) proposed to sell dozens of single-family homes across the city. The properties identified for sale were located in gentrified neighborhoods. In other words, they had been acquired at a low price decades earlier, but now were worth a great deal of money. TCHC claimed that the money realized from the sale would help repair other public housing units and benefit more people. Should the TCHC allow tenants to remain in their homes, even though the market value of these properties effectively rendered them an expensive taste?

In ‘On the Currency of Egalitarian Justice’, Gerry Cohen (1989, p. 923) argues that an egalitarian distribution should accommodate expensive tastes as long as these tastes were not acquired intentionally. At first, this sounds absurd and his critics have highlighted the
counterintuitive character of this proposal by mocking the idea that some people might need ‘Plovers eggs’ and ‘ancient claret’. For Cohen, it is a matter of ‘bad luck’ to have expensive tastes and therefore a consistent application of luck egalitarianism requires that people be compensated for them. I take this to be a reworking of the socialist principle ‘to each according to his needs’ transposed into the language of Anglo-American normative philosophy. In order to make this more plausible, Cohen notes that it can sometimes be difficult to distinguish between a disability and an expensive taste. Take the example of Percy who finds the taste of tap water unbearably sour and therefore chooses to drink bottled water (Dworkin 2000, p. 288). Given the cost of bottled water, Percy would need extra resources in order to have the same well-being as people with normal taste buds. In a certain sense, the purchase of bottled water is not only a choice, but it also has much in common with other disabilities that justify special compensation to overcome disadvantages.

Dworkin responds to Cohen by distinguishing between two types of tastes: tastes that the individual affirms and tastes that the individual would disavow. Percy would prefer that water were not so distasteful, but most people’s attitudes to their expensive tastes do not fall into this category. The wine enthusiast, the exotic traveler, and the skier would not voluntarily swallow a magic pill which would make them indifferent to their preferred activities. According to Dworkin, people who subjectively identify with their expensive tastes are exercising a choice and are therefore responsible for the costs that this choice entails.

In an essay entitled ‘Expensive Taste Rides Again’, Cohen (2004) addresses this objection. He insists that Dworkin overlooks the way that both choice and chance play a role in determining expensive tastes. People may affirm their tastes (choice) but they are still victims of bad luck, in so far as they would obviously prefer that these tastes were not expensive. In other words, they are victims of ‘bad price luck’ not ‘bad preference luck’. For example, I enjoy serial dramas with high production values and complex plotting but would prefer not to have to pay the extra cost of a subscription to HBO. If given the opportunity to take a pill that would transform me into a fan of reality TV, I would not take it but I would certainly use my magical wand to make other people into HBO fans, if this would drive down the cost. The point is that the market determines whether a taste is expensive or inexpensive and the individual is not able to control the market. Dworkin disagrees and maintains that without a market, there is no fair way to set prices. The market expresses the opportunity cost of satisfying one preference over another and, assuming that the initial distribution of resources is fair, it is the best way to give equal weight to everyone’s preferences.

Cohen’s defense of expensive tastes is a provocative way of approaching the very real dilemmas that governments face when they have to decide whether to intervene in the market. Cohen helps explain why it is legitimate to distort market prices in order to achieve a different distribution of goods. Dworkin (2004) insists that the normative theory behind this position is flawed and the practical implications are absurd, but gentrification is a real-world issue that demonstrates the plausibility of Cohen’s position.

Poor people who wish to remain in their gentrifying neighborhoods are classic victims of ‘bad price luck’. These residents could not reasonably be held responsible for the expensiveness of their taste. After all, they are the ones that moved into a low-cost neighborhood. These original residents acquired an attachment to a working-class neighborhood, which, due to the structural incentives for investors and the locational preferences of the creative class (Florida 2002), subsequently became expensive. Recall that an expensive taste is not merely a luxury that everyone desires but rather something that
certain people need more than others in order to have the same level of well-being. This describes the preferences of current residents of transitional neighborhoods. Many people may desire to live in a certain neighborhood, but long-term residents often develop a particularly intense emotional attachment or sense of place that would be painful to disrupt (King 2004).

How does this attachment to place come about? One possibility is that humans are, by nature, territorial and feel a greater level of security on their home turf. A more cultural account was developed by Yi-Fu Tuan (1974, p. 4, p. 247) who coined the term topophilia to describe the affective bond between people and place. Topophilia has multiple sources including visual pleasure and sensual delight; people feel fondness for home because it is familiar, it incarnates the past, and expresses pride of ownership or creation. Residents of a neighborhood also become attached to a place because they benefit from informal community support. All people, especially poor people, rely on the support and aid of others (Sennett 2008). People who live in proximity to one another create networks of mutual support. Physical proximity makes it efficient for neighbors to collaborate on mutually beneficial projects such as looking after each other’s children, sharing tools, or fostering safety through ‘eyes on the street’. These projects require trust and social capital, which take time to build. If tenants are forced to relocate to another neighborhood, these networks of mutual aid are disrupted, which entails financial costs and emotional hardship.

Drawing on debates from egalitarian theory, this section has shown that there are good reasons to worry about the displacement of current residents, but less cause to be concerned about the exclusion of nonresidents. This is because the two groups are affected by gentrification in different ways. Nonresidents do not rely on existing place-specific networks of mutual aid. Moreover, they do not have the same attachments and loyalties that are produced through histories, routines, and experiences connected with a particular place. They did not participate in the creation of the oeuvre of the neighborhood.

A critic might object that nonresidents too share a preference for certain neighborhoods, which are not just expensive tastes but rather places that provide very real material benefit such as proximity to jobs, public transit, services, and amenities. Furthermore, it seems odd to describe the locational preferences of the excluded as intentional in a way that the preferences of residents are not. For Cohen, however, it does not matter whether preferences were intentionally acquired. The key is really that some people suffer more than others because their preferences are harder to fulfill. For the reasons outlined above, this is clearly the case for long-time residents, but it may also describe the situation of some nonresidents. For example, nonresident immigrants may have strong preferences to live in enclaves where a dense network of ethnic businesses facilitates work, socializing, and the logistics of everyday life. What about other people who share the taste for downtown living? The fact that affluent people are bidding up the price of homes in gentrifying neighborhoods is itself a sign of their preferences. This brings us back to Hayek’s point that demand will outpace supply and some authoritative form of allocation will be necessary. I suspect that this is exactly where Cohen wants to end up. From a normative perspective, we cannot simply abdicate responsibility for this decision by relying exclusively on market forces. Democratic institutions are the sites where we can consciously decide how to weigh competing priorities: the productivity of the market, the desire for freedom, and the requirements of justice. There are no philosophical principles or mathematical formulas or invisible hands that will solve this for us. As citizens, we will have to provide reasons to explain why certain needs should have priority rather than simply deferring to the market which allocates all goods on the basis of economic power.
In the case of housing, we might decide to give priority to the needs of current residents by adopting measures to promote neighborhood stability (rent control, regulation of tenancy, public housing). We might also promote arrangements that help people to live near their workplace in order to decrease traffic congestion and help the environment. One obvious starting point is to ask why nonresidents desire to move into certain neighborhoods and see whether their features can be replicated elsewhere. If the attraction is proximity to public transportation and recreational amenities, then the most effective remedy would be to expand the public infrastructure so that all residents have reasonable access.

4. Democracy, territoriality, and place

So far, this essay has treated the harm resulting from gentrification in individualistic terms. Even values like community and ‘loyalty to place’ have been described as the preferences or needs of particular individuals. Yet studies of gentrification remind us that this does not exactly capture the complexity of the phenomenon. Often what is lost through gentrification is not the individual’s home or apartment, but rather the neighborhood itself. Some long-term residents may stay, but they increasingly feel like aliens or outsiders in ‘their’ neighborhoods. One aspect of this process is commercial displacement. In Ontario, commercial tenants are not protected by the same law that limits rent increases for residential tenants. This means that commercial areas can change much more quickly than the surrounding residential neighborhoods do. Unable to compete with new commercial tenants, nonprofit cultural centers, mutual aid societies, or other community institutions may lose their space.

Gentrifiers also use political as well as economic power to transform the character of public spaces. Gentrifiers redesign parks to make families feel welcome and homeless people unwelcome (Gold 2010); they mobilize to ensure that certain bars do not get their liquor licenses renewed (Goldberg 2008). They try to prevent social service providers from expanding their activities. Gentrifiers remake the public realm in order to fulfill their needs and desires. Through this process, a neighborhood’s history is effaced. In this section, I consider the issue of gentrification from a collective rather than an individual perspective. Do groups have a collective right to a certain kind of shared public or communal space?

From the perspective of liberal theory, it is very hard to even conceptualize group rights. Liberal theory treats individuals as the bearers of rights and foremost among these are the right to private property. Even cultural rights are usually structured as group-differentiated individual rights. By this, I mean that individuals may have a right to certain accommodations by virtue of their membership in a group, but the individual exercises the right. For example, a Jewish individual might have a right to wear a kippa, but this does not give the Jewish community any rights.

In a liberal framework, a group right takes the form of a right to self-government of jurisdiction. For example, certain religious groups could have the right to decide on marriage and divorce laws and members of these groups are obliged to obey these rules. Should neighborhoods have group rights that they can use to project their collective interests? In other words, should neighborhoods have jurisdiction over local land use or other instruments that they could use to slow or stop the pace of neighborhood change?

In order to answer this question, I draw on theories of territorial rights. According to David Miller (2011), territorial rights are exercised by peoples who gain these rights by
adding material and symbolic value to land that they legitimately occupy. For the purposes of this discussion, the key issue is whether the residents of an urban neighborhood are ‘a people’. A people is a transhistorical group that transmits an identity over time, binding members to each other and distinguishing them from outsiders. Most urban neighborhoods do not meet these criteria. They are diverse communities that usually include many people with strong ties outside the neighborhood and limited ties within it. Given the porosity of borders within cities, change is rapid and transhistorical identities are uncommon. This suggests that neighborhoods are not the types of groups that have rights to territorial jurisdiction (Kolers 2009).

Long-time residents may be harmed when their neighborhood changes in a way that makes it feel alien and unwelcoming, but this does not mean that any individual’s right has been violated. By a right, I mean a legitimate claim that entails an obligation on the part of someone else. Injustice describes those harms that imply an obligation on the part of someone else to remedy the harm, but not all harms fall into that category. For example, if a retailer or service provider decides to relocate because the customer or client base is located in another part of the city, he does not act unjustly by relocating, even though his departure is experienced as a harm by the remaining residents.

The loss of a shared public world is a real harm, but it is also one that is particularly difficult to remedy without causing other problems. This is because the tools that could slow the pace of neighborhood change could also be used to undermine equality by excluding poor residents for other neighborhoods. For example, a theory of group rights could be used to justify neighborhood councils with powers to veto new developments, modify existing by-laws, or direct public monies to local projects. But ultimately, I think that this type of decentralization would do more harm than good. These neighborhood councils would easily be captured by gentrifiers and used to accelerate rather than slow the pace of change. These powers would also be used by elite or homogeneous neighborhoods to keep poor people, immigrants, and public housing out.

5. Polarization and homogeneity

Critics of gentrification see the process as a colonization of working class and immigrant neighborhoods that creates a uniformly middle-class environment. Proponents of downtown revitalization, however, take a somewhat different view. They think that far from displacing beloved neighborhood institutions, new retailers contribute to the vitality of declining neighborhoods by renting space in buildings that have been empty for months or years. The rise of shopping malls, automobiles, and supermarkets rendered mom-and-pop stores obsolete and entire commercial streets were abandoned and boarded up. These new upscale boutiques and galleries are a way of recycling the built environment and adapting it for new uses. Gentrification is also sometimes promoted as a way of creating mixed-income, diverse neighborhoods. When upper middle-class residents move into working-class neighborhoods, they increase rather than decrease the diversity. What does the empirical literature say about these conflicting claims?

In a recent study of Vancouver, Toronto, and Montreal, Alan Walks and Richard Maaranen (2008) examined whether gentrification increased or decreased socioeconomic and ethnic diversity. While there were some differences among the cities, this study found that completely gentrified neighborhoods tended to have greater levels of income polarization and economic inequality than they did before the influx of high-income residents. The increase, however, was not as great as the increase in inequality in the city as a whole during the same period. Most gentrified neighborhoods became more ethnically diverse
over the period studied (1971–2001), but this reflected the changing demographics of the metropolitan area and these neighborhoods became less diverse than the city as a whole. Walks and Maaranen (2008) conclude that gentrification results in greater levels of income polarization and declining levels of social mix, ethnic diversity, and immigrant concentration within affected neighborhoods.

This rigorous research provides important insights into patterns of demographic change within neighborhoods, but we should be very careful before drawing normative conclusions about gentrification in general. It is important to note that this study identifies two different categories: ‘gentrification’ and ‘incomplete gentrification’. Both types of neighborhoods experienced an increase in the average personal income, but in the neighborhoods which experienced ‘incomplete gentrification’, income did not rise above the Census Metropolitan Area (CMA) average. In both Toronto and Montreal, more neighborhoods experienced incomplete than complete gentrification. This seems to contradict the conventional wisdom that once gentrification begins, it does not stop until all of the poorer residents have been displaced (Glass 1964). Walks and Maaranen show that many neighborhoods that gained high-income residents in the 1970s or 1980s were still socioeconomically diverse in 2001. Between 18% and 25% of the residents in ‘incompletely gentrified’ neighborhoods still had household incomes below $20,000. The authors still worry that these mixed neighborhoods will become more economically polarized and ethnically homogeneous, but their evidence shows that so far, many of the gentrifying neighborhoods in Toronto and Montreal have not become elite enclaves but instead have stabilized as mixed-income neighborhoods. This longitudinal study shows us two trajectories, one that results in neighborhoods that are more homogeneous than the city as a whole and one that creates neighborhoods that are more economically diverse (but also more polarized) than the rest of the city.

Should social mix be construed as a harm or a benefit? The academics, policymakers, and planners who celebrate the idea of social mix do so for a number of different reasons. Some see it as a way to promote democratic citizenship by fostering informal social relationships and mutual understanding between different types of people (Young 1986; Bickford 2000). Others promote it as a way to help the poor by deconcentrating poverty. According to the theory, when middle class and poor people live side-by-side, the poor benefit from the amenities and the public services that the rich are able to secure: good schools, responsive policing, competitively priced shopping, recreational facilities, and regular street maintenance. Some go even farther and suggest that the informal interaction between the poor and the middle class may help inculcate more appropriate norms of behavior and build social connections that will lead to better jobs or academic success. The empirical evidence in favor of these claims is fairly thin (Ellen and Turner 1997; Galster 2012). Qualitative work on gentrification has pointed out that gentrifiers tend to build social networks with other people from the same social class even though, in theory, they enthusiastically endorse the diversity of the neighborhood (Robson and Butler 2001).

The term ‘diversity’ tends to have a positive connotation but a neighborhood with economic diversity could also be described as polarized. In their study, Walks and Maaranen showed that income polarization increased in both types of gentrifying neighborhoods. When higher earners move into fairly homogeneous working-class neighborhoods, economic diversity and polarization increase. The score for income polarization is particularly sensitive to the presence of extremely high and low incomes. In incompletely gentrified neighborhoods, poor people and rich people live in close proximity. High levels of owner-occupancy, rent control, tenant protection laws, and public housing, all tend to
create neighborhoods that change very slowly but the new high-income residents increase the level of economic polarization.

Polarization can occur in many different ways. Imagine a society that initially has an equal distribution of wealth and, over time, becomes polarized. Our normative judgment depends on both our theory of equality and the empirical account of how polarization emerged. Consider the following three scenarios.

(A) Due to greater skill and hard work, half of the citizens become more prosperous while the others maintain the same income. This would not only increase polarization but would also be Pareto optimal, because some are better off and no one is worse off.

(B) A group of the original residents band together and use their economic and political power to redistribute resources, rendering some poor and others rich. In this scenario there is a zero sum game, where the enrichment of some people comes directly at the expense of others.

(C) A group of citizens introduce a division of labor and a set of material incentives which make some people more prosperous than others, but everyone is better off than they were under a system of equality. This is just according to Rawls’s difference principle (inequalities are justified if they benefit those who are the worst off) but not Cohen’s more demanding form of luck egalitarianism.

Egalitarians condemn B but they are split about scenarios A and C. The empirical question is also subject to intense dispute and a great deal depends on whether the growing income polarization in Canada and the United States follows pattern A, B, or C. For the purposes of this paper, however, it is not necessary to resolve either the normative or empirical debate. Instead, I want to highlight the relationship between polarized neighborhoods and polarized polities.

Income polarization describes the unequal distribution incomes among people within a polity. Neighborhood income polarization, on the other hand, describes the arrangement of people within space. It is possible to have neighborhoods with no income polarization, yet still having a very polarized society. This would be the case in a metropolitan area in which elite enclaves and poor ghettos are geographically separate from one another. As an egalitarian, I would like to see a decrease in income inequality in the polity, but until this happens, we must consider whether class segregation (homogenization) or integration (polarization) is preferable. I think that there are good reasons for preferring integration. The main reason is that residents of wealthy neighborhoods are usually more effective at securing public goods. These are the neighborhoods that have high-performing schools, recreational amenities, public transportation, and fewer environmental hazards; therefore, we should try to equalize access to these neighborhoods. The premise of this argument is the claim that elites tend to use territory in order to maximize power (Sack 1986); they erect barriers in order to prevent nonelites from gaining access to desired goods. The consequence is that egalitarians should promote a policy of porosity across boundaries and maintain a critical attitude toward urban policies that lead to exclusion.

My primary concern is not promoting diversity as an end in itself, but rather preventing exclusion from public goods. Given the multiple factors involved, it is hard to make general claims about whether increasing social mix is a good or a bad thing. A useful starting point is Iris Marion Young’s nuanced analysis of debates about segregation and polarization. She argued that racial segregation has been a source of injustice because it systematically prevents certain people from enjoying the infrastructure and amenities
available in other parts of town. Nevertheless, the ideal of integration isn’t the solution, because there are also real advantages that come from living clustered together with people who share the same language, culture, or lifestyle. These benefits range from supporting a viable market for culturally specific projects and services to creating a safe space for counter-hegemonic practices. As an alternative, she advocates an approach which she calls together-in-difference, a way of organizing urban space that sustains distinctive enclaves while linking them together through public forums and institutions. The goal is to combat segregation when it limits choice, undermines equality, and mystifies the real level of social inequality. I take this to be a defense of a mosaic vision of cultural pluralism, one that recognizes the value of distinctive enclaves that enable diverse urban dwellers to feel at home while still emphasizing the importance of building links and alliances that cut across entrenched identities.

I do not think that the normative ideal of ‘together in difference’ provides strong theoretical reasons for either defending or criticizing gentrification. Gentrification increases social mix in some cases and decreases it in others. Furthermore, it is unclear whether social mix is always beneficial to subaltern groups and whether the benefits outweigh possible harms. I suspect that critics of neoliberalism are correct in arguing that the ideal of social mix sometimes functions ideologically to legitimize projects that take land currently used for public housing and make it available for private development (Hackworth 2006). But the ideal of social mix can also serve as a powerful argument against removing poor people from downtown and housing them in less expensive areas on the urban periphery. I think that the key concern of Young’s writing on ‘together in difference’ is a desire to understand the spatial dimension of the ideal of equality. In order to achieve equality, subaltern groups need more power. Sometimes living together in enclaves can be a source of power, either by facilitating political mobilization or by exercising informal control over a small area. At the same time, increased social mix can ensure access to desired public goods. Instead of focusing on social mix per se, we should think about how particular urban policies strengthen or weaken the position of the most vulnerable residents.

6. Conclusion
In this essay, I have considered five primary harms of gentrification: residential displacement; exclusion; transformation of public, social and commercial space; polarization; and homogenization. I examined whether these outcomes are associated gentrification and if so, whether they are harmful. Residential displacement is the most serious harm since it distributes the costs of neighborhood transition to people who are not responsible for the change. For these residents, gentrification is a form of bad luck and an egalitarian society should try to socialize the costs of experiencing this bad luck. This could take the form of public housing, rent control, or subsidies. The exclusion of nonresidents is a lesser harm, because nonresidents are usually not attached to the neighborhood in the same way. The harm of exclusion could be addressed by ensuring that all neighborhoods have access to comparable public amenities, including good schools, public transportation, and recreational facilities. A more radical solution would be to distribute housing using nonmarket mechanisms. Given the predominance of free market ideology and practices in North America, this solution probably sounds undesirable or impractical to most people, but it is worth noting that cities in Europe, such as Vienna and Amsterdam, have been successful at decommodifying housing (Fainstein 2010).
The transformation of public/social space, polarization, and homogenization, all describe harms to communities and to the city itself rather than just the individual. As I suggested above, these changes may be harmful or beneficial, depending on the composition of the city as a whole and the power dynamics involved in the transformations. It is easy to overlook the way that the loss of certain distinctive neighborhoods and spaces may be accompanied by the creation of new ones located in parts of the city that are unfamiliar to the gentrifying class. Scarborough, an inner suburb of Toronto, provides many examples. There are few stately historic brick homes or quaint narrow commercial streets but there are lots of dynamic strip malls filled with ethnic entrepreneurs and ‘third spaces’ that meet the needs of immigrants living in the nearby high-rises.

If the gentrification of downtown is harmful, should we view the establishment of dynamic new low-income, immigrant neighborhoods in the inner suburbs as a benefit? Not exactly. This question, however, helps us focus on the core harm of gentrification, which is not gentrification itself but rather inequality. Gentrification makes the increase in inequality and income polarization into something visible, vivid, and concrete. Moreover, it reminds us that the wealthy get to take what they want and leave everyone else with what they discard. Urban policy by itself cannot solve this problem.

References
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