



The Age of Extremes: Concentrated Affluence and Poverty in the Twenty-First Century

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Source: *Demography*, Vol. 33, No. 4 (Nov., 1996), pp. 395-412

Published by: Springer on behalf of the Population Association of America

Stable URL: <http://www.jstor.org/stable/2061773>

Accessed: 21-01-2018 21:58 UTC

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THE AGE OF EXTREMES: CONCENTRATED AFFLUENCE AND POVERTY IN THE TWENTY-FIRST CENTURY*

DOUGLAS S. MASSEY

Urbanization, rising income inequality, and increasing class segregation have produced a geographic concentration of affluence and poverty throughout the world, creating a radical change in the geographic basis of human society. As the density of poverty rises in the environment of the world's poor, so will their exposure to crime, disease, violence, and family disruption. Meanwhile the spatial concentration of affluence will enhance the benefits and privileges of the rich. In the twenty-first century the advantages and disadvantages of one's class position will be compounded and reinforced through ecological mechanisms made possible by the geographic concentration of affluence and poverty, creating a deeply divided and increasingly violent social world.

Poverty is old news. For thousands of years the great majority of human beings have lived and labored at a low material standard of living. In the first hunter-gatherer societies that emerged on the savannahs of Africa, in the agrarian villages that later appeared in the highlands of the fertile crescent, in the great agricultural empires that arose in Mesopotamia, the Mediterranean area, India, and China, most people were very poor. This iron fact of life prevailed in all human societies until quite recently.

Despite universal material deprivation, human societies evolved cultures and social structures that permitted people to live and reproduce in relative peace. Social order was possible in conditions of pervasive poverty because of one fundamental condition: The deprivation existed at low geographic densities. Under this circumstance, the socially disruptive correlates of poverty occurred infrequently and could be managed, more or less, through informal means; and because the poverty-stricken masses rarely came into contact with the tiny elite, they did not perceive the full extent of their relative deprivation.

The one place where rich and poor families came into direct contact was in cities, but preindustrial urban centers were few in number and never contained more than a tiny fraction of the human population. In premodern cities, moreover, the wealthy were constantly exposed to the poor and their privations, because preindustrial technologies permit-

ted neither the separation of work from residence nor the segregation of the elite from the masses. Class integrity was maintained largely through social means, not physical separation. Indeed, the coexistence of poverty and wealth at high densities created problems of social order, as any student of ancient Rome can attest.

The industrial revolution of the nineteenth century upset the apple cart by creating and distributing wealth on a grand scale, enabling affluence and poverty to become geographically concentrated for the first time. Through urbanization, the rich and the poor both came to inhabit large urban areas. Within cities new transportation and communication technologies allowed the affluent to distance themselves spatially as well as socially from the poor, causing a rise in the levels of class segregation and a new concentration of affluence and poverty.

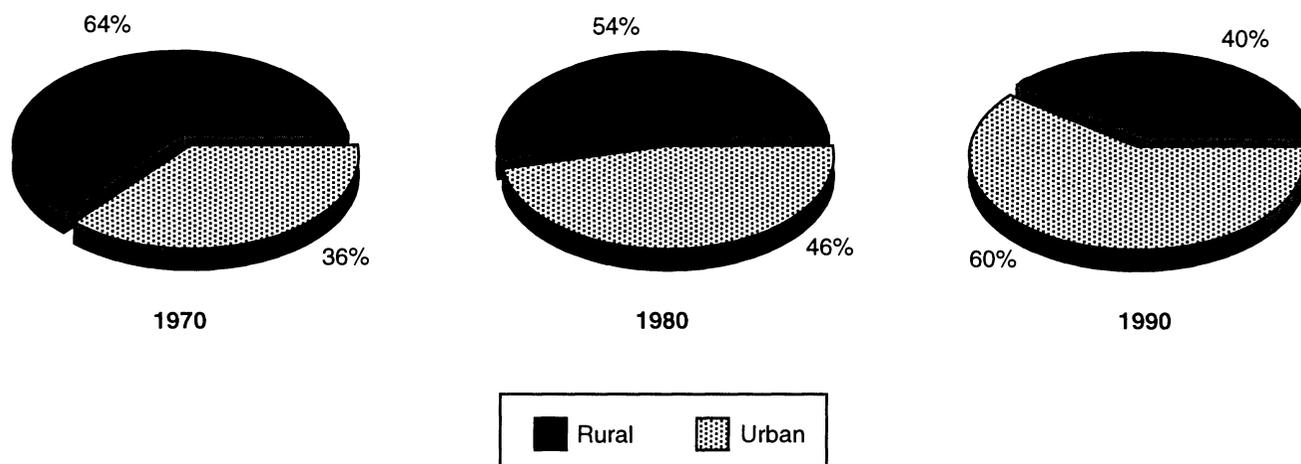
For a short time after World War II, mass social mobility temporarily halted the relentless geographic concentration of affluence and poverty in developed countries. The postwar economic boom that swept Europe, Japan, and the United States created a numerically dominant middle class that mixed residentially with both the upper and the lower classes. After 1970, however, the promise of mass social mobility evaporated and inequality returned with a vengeance, ushering in a new era in which the privileges of the rich and the disadvantages of the poor were compounded increasingly through geographic means.

In the coming century, the fundamental condition that enabled social order to be maintained in the past—the occurrence of affluence and poverty at low geographic densities—will no longer hold. In the future, most of the world's impoverished people will live in urban areas, and within these places they will inhabit neighborhoods characterized by extreme poverty. A small stratum of rich families meanwhile will cluster in enclaves of affluence, creating an unprecedented spatial intensification of both privilege and poverty.

As a result of this fundamental change in the geographic structure of inequality, the means by which the undesirable correlates of poverty were managed in the past will break down. The juxtaposition of geographically concentrated wealth and poverty will cause an acute sense of relative deprivation among the poor and heightened fears among the rich, resulting in a rising social tension and a growing conflict between the haves and the have-nots. As I demonstrate below, we have entered a new age of inequality in which class lines will grow more rigid as they are amplified and reinforced by a powerful process of geographic concentration.

*Douglas S. Massey, Population Studies Center, University of Pennsylvania, 3718 Locust Walk, Philadelphia, PA 19104-6298; e-mail: doug_massey@pop.upenn.edu. Presidential address presented at the annual meetings of the Population Association of America, New Orleans. I would like to thank Kristin Espinosa for preparing the graphics used in this presentation, and Nancy Denton for special calculations that she carried out on my behalf. I also thank Paul Jargowsky and Lauren Krivo for making available unpublished statistics on poverty concentration and class segregation.

FIGURE 1. DISTRIBUTION OF THE POOR BY RURAL-URBAN STATUS: LATIN AMERICA, 1970–1990



THE SPATIAL CONCENTRATION OF POVERTY

Poverty is notoriously difficult to define; statistics on its incidence are unreliable and difficult to acquire, especially in the developing world. Tabatabai and Fouad (1993) conducted a survey of poverty estimates in developing countries for the International Labour Office and found that most regions lacked statistics dating back more than a few years. In Latin America, however, they were able to assemble reasonably accurate estimates of poverty rates beginning in 1970. To illustrate trends in the geographic concentration of poverty in developing countries, I apply rates of rural and urban poverty estimated by Tabatabai and Fouad for Latin America to rural and urban populations estimated for this region by the United Nations (1995). The resulting distribution of poverty by rural-urban status is shown in Figure 1 for 1970, 1980, and 1990.

In 1970 most of Latin America's poor—nearly two-thirds—lived in the countryside, typically in isolated farming communities, small agrarian villages, and tiny rural hamlets. In the ensuing two decades, however, the poor urbanized rapidly. By 1980 the balance of rural and urban poverty was approaching parity, and by 1990 a substantial majority (60%) of Latin America's poor lived in urban areas. This transformation of the geographic structure of human deprivation was so quick that the ratio of rural-to-urban poverty in 1990 was almost precisely opposite the ratio that had prevailed only 20 years earlier.

Therefore, in this hemisphere, poverty is already well on the way to complete urbanization. The typical poor Latin American of the twenty-first century will not live in a village or town but in a city, and most likely a very large one. Although data limitations prevent me from demonstrating this fact for other regions of the developing world, projected

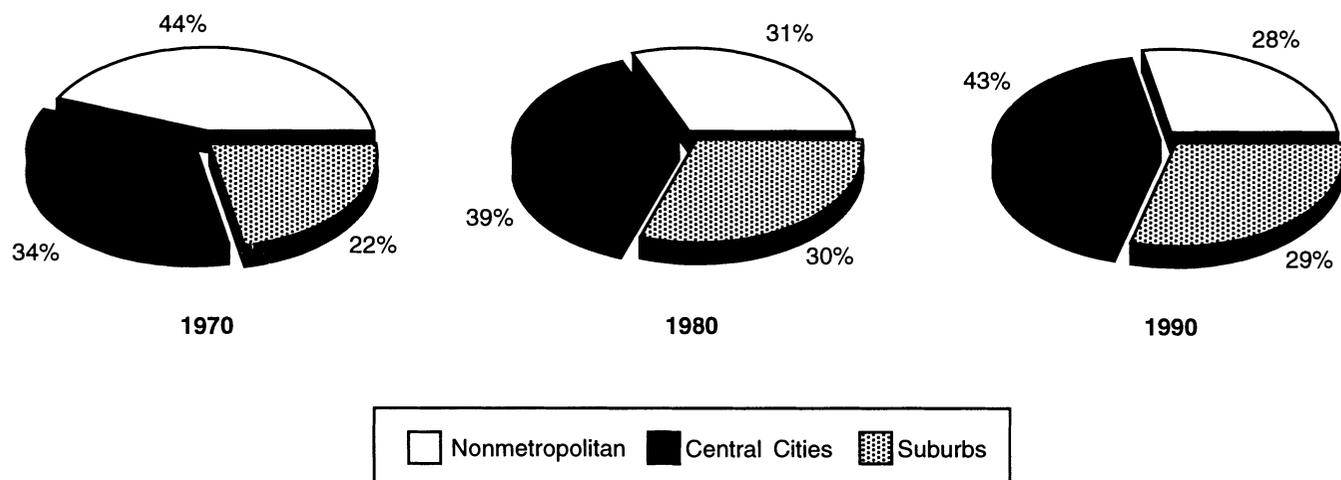
trends in urbanization suggest that a majority of the world's poor will soon live in cities.

The urban concentration of poverty is already well advanced in developed countries. Figure 2 shows the metropolitan distribution of poor people in the United States in 1970, 1980, and 1990 (U.S. Bureau of the Census 1973, 1983, 1993). By 1970 U.S. poverty was already predominantly urban; 56% of all poor persons lived either in central cities or in suburbs. Nonetheless, a large plurality of the poor (44%) lived in nonmetropolitan areas only two decades ago.

Over the next 20 years, however, the percentage of poor people living in nonmetropolitan areas dropped steadily, to 31% in 1980 and to 28% in 1990; thus by the early 1990s, 72% of America's poor lived in urban areas. Not only was poverty becoming more urbanized, however; it was also becoming more highly concentrated in the urban core. The proportion of poor people who lived in central cities stood at 34% in 1970, but the figure rose to 39% in 1980 and to 43% in 1990. Meanwhile the percentage of the poor living in suburbs, after rising during the 1970s, fell slightly during the 1980s and reached 29% in 1990.

While American poverty was becoming more concentrated in central cities, it was also concentrating in already-poor urban neighborhoods. John Kasarda (1993:265) recently computed the share of poor persons living in poor and very poor neighborhoods at different points in time. He defined a poor neighborhood as one with a tract poverty rate from 20% to 40%, and a very poor neighborhood as one with a tract poverty rate of more than 40%; nonpoor neighborhoods had a tract poverty rate below 20%. Figure 3 displays the distribution of poor persons among these three neighborhood types in 1970, 1980, and 1990 for the 100 largest central cities of the United States.

FIGURE 2. DISTRIBUTION OF THE POOR BY METROPOLITAN STATUS: UNITED STATES, 1970–1990



In 1970, 45% of central-city poor people lived in a neighborhood that was *not* poor, whereas 55% lived in a poor or very poor neighborhood (38% in the former and 17% in the latter). Over the next two decades, however, the concentration of poor people in poor places increased sharply. From 1970 to 1990, the percentage of central-city poor people living in nonpoor areas declined from 45% to 31%, while the percentage living in poor neighborhoods increased from 38% to 41%. Meanwhile the share living in very poor neighborhoods grew markedly, from 17% to 28%. As of 1990, more than two-thirds of all central-city poor people lived in poor or very poor neighborhoods.

Elsewhere Mitchell Eggers and I argue that the P* isolation index popularized by Stanley Lieberman (1980, 1981) provides a reliable and accurate summary measure of poverty concentration (Massey and Eggers 1990). This index gives the rate of poverty in the neighborhood of the average poor person. The left-hand side of Figure 4 presents isolation indices for poor inhabitants of the nation's 10 largest metropolitan areas in 1970, 1980, and 1990, using data recently published by Abramson, Tobin, and VanderGoot (1995).

Over the past two decades, class isolation among the poor has risen steadily, growing by 21% between 1970 and 1990. As of 1990, the average poor resident of the nation's largest metropolitan areas lived in a neighborhood where roughly one-quarter of his or her neighbors were also poor. Analyses performed by Abramson and colleagues show that this geographic concentration of human poverty was remarkably widespread, and in some metropolitan areas reached extreme levels. By 1990 the average poor person in New York, Chicago, and Detroit lived in a neighborhood where 29% of the people were poor; the typical poor resident of New Orleans lived in a neighborhood where the poverty rate was a

remarkable 35%. Over the past two decades, the social environment of the poor shifted to higher and higher densities of poverty.

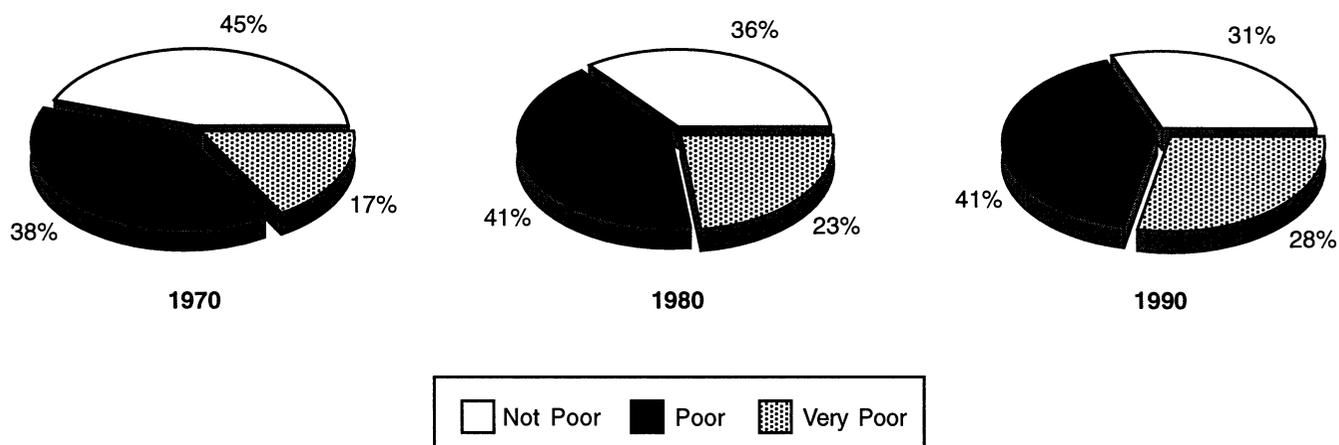
THE SPATIAL CONCENTRATION OF AFFLUENCE

Despite a substantial and growing effort to study concentrated poverty, remarkably little attention has been given to the concentration of affluence. Since the dawn of urbanism, however, the elite have always clustered in cities for purposes of command and control. Indeed, in pre-industrial times they tended to settle in and around the city center (Sjoberg 1960). Because communications were rudimentary, effective administration required face-to-face interaction that could be achieved only through physical propinquity. Moreover, because transportation technologies were limited, goods and services required by the elite had to be produced, distributed, and sold near their places of residence.

The core of preindustrial cities thus tended to house a variety of social classes, generating considerable face-to-face interaction across class lines. Although the rich may have been centralized, they were not separated physically from the masses, and although a wide social gulf separated them from the poor, affluence itself was not spatially concentrated (see Hershberg 1981; Zunz 1982).

This residential status quo was terminated in the nineteenth century by improvements in technology. Advances in transportation, communication, and construction led to an increase in density at the urban core, a separation of work from residence, and new possibilities for physical separation between the classes. Especially in the United States, the middle and upper classes began to leave central cities for affluent suburbs on the urban periphery early in the twentieth century, first axially along rail lines and then, as the automobile became more widely available, concentrically through-

FIGURE 3. DISTRIBUTION OF CENTRAL CITY POOR BY NEIGHBORHOOD TYPE: UNITED STATES, 1970–1990



out a wide hinterland. The working classes meanwhile clustered in factory zones adjacent to the central business district, creating the spatial structure made so famous by my predecessor at the University of Chicago, Ernest Burgess (1925).

Although we have no direct measure of income segregation before 1940, we know that ethnic segregation increased substantially during the late nineteenth and early twentieth centuries in response to the changed ecological structure of the city (see Hershberg 1981; Massey 1985; Massey and Denton 1993). It is reasonable to surmise that class segregation also increased. After the World War II, however, both class and ethnic segregation clearly declined (Massey 1985; Simkus 1978), fueled by an ongoing process of generational succession, social assimilation, and mass economic mobility unleashed by the postwar boom (Alba 1981).

As shown in seminal work by Blau and Duncan (1967) and Featherman and Hauser (1978), a remarkably fluid and open stratification system emerged in the United States during the years World War II. Socioeconomic status came to depend less on one's social origins than on one's achievements; the result was a sustained decline in income inequality and an unprecedented rise in living standards. From 1947 to 1973, U.S. families doubled their incomes, while inequality declined by 5% (Levy 1987). According to James Smith (1988), the share of families with middle-class incomes grew from a minority of 40% of the population in 1940 to two-thirds of the population in 1970, while the poverty rate fell from 34% to 11%. In only 25 years the United States became a middle-class society structured meritocratically.

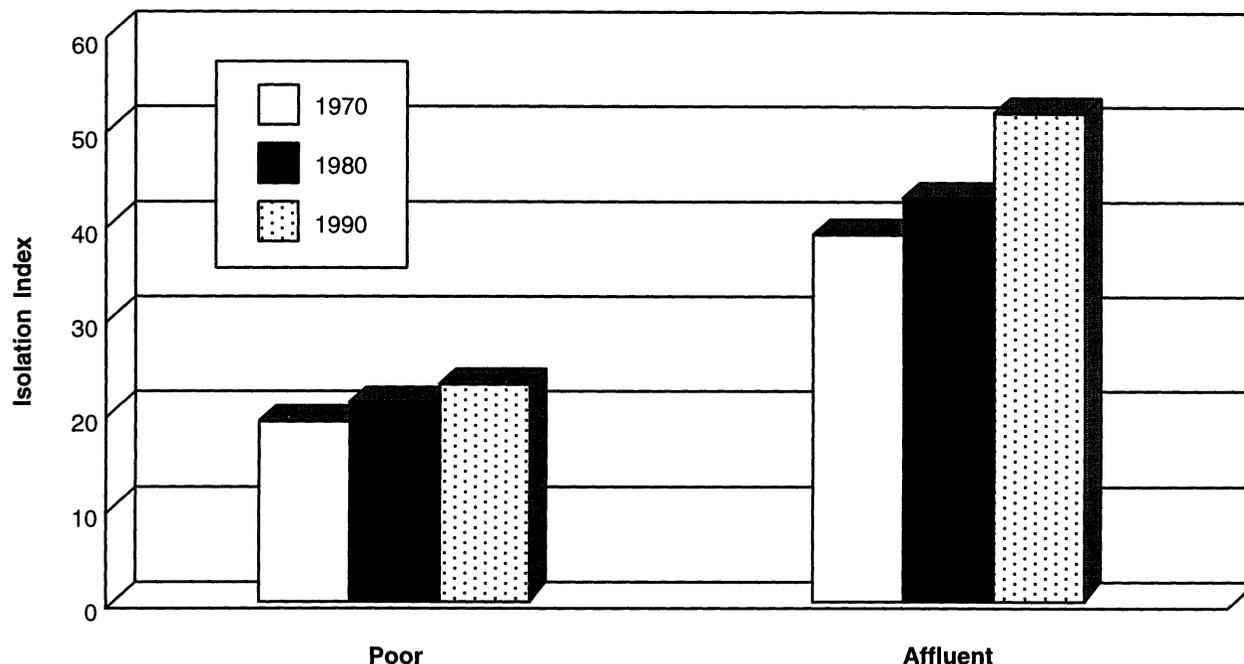
This broader trend toward socioeconomic equality was expressed spatially, as the degree of residential segregation between the upper and the lower classes was reduced sharply. According to calculations by Albert Simkus (1978), residen-

tial dissimilarity between high- and low-status workers declined markedly between 1960 and 1970. In the metropolitan areas he studied, the average dissimilarity index between professionals and laborers decreased by 19% from 1960 to 1970, while that between managers and service workers decreased by 17%. At the same time, residential dissimilarity between managers and laborers dropped by 23%, and that between managers and service workers by 17%. Therefore, during the 1960s, people located at the extremes of the American occupational structure were moving rapidly together in residential terms, and observers at the time thought class segregation was on the wane.

Sometime during the mid-1970s, however, this pattern was reversed, and the classes once again began to pull apart socially and spatially. Just as we observe an increase in the concentration of poverty between 1970 and 1990, we also encounter a remarkable increase in the concentration of affluence. The right-hand side of Figure 4 shows P^* isolation indices for affluent persons in the 10 largest metropolitan areas of the United States. This index gives the proportion affluent in the neighborhood of the average affluent person. The figures for 1970 and 1980 come from work I published earlier with Mitchell Eggers (Massey and Eggers 1993); the figure for 1990 was computed especially for this address by Nancy Denton. Following James Smith (1988), I define the affluent as persons living in families whose incomes are at least four times the poverty level for a family of four—about \$54,000 in 1990 dollars.

As Figure 4 clearly shows, affluence is even more highly concentrated spatially than poverty. Whereas the average poor person lived in a neighborhood that was 19% poor in 1970, the typical affluent person lived in a neighborhood that was 39% affluent. In the ensuing years, this already high concentration of affluence became even more intense: The

FIGURE 4. CONCENTRATION OF AFFLUENCE AND POVERTY IN THE 10 LARGEST METROPOLITAN AREAS: UNITED STATES, 1970–1990



isolation index increased to 43 in 1980 and to 52 in 1990. By the beginning of the present decade, in other words, the typical affluent person lived in a neighborhood where more than half the residents were also rich; the outcome was a social environment that was far more homogeneously privileged than at any time in the previous 20 years. In their daily lives, affluent residents of U.S. urban areas were increasingly likely to interact only with other affluent people, and progressively less likely to interact with other classes, especially the poor.

THE NEW WORLD ORDER

The hallmark of the emerging spatial order of the twenty-first century will be a geographic concentration of affluence and of poverty. Throughout the world, poverty will shift from a rural to an urban base; within urban areas poor people will be confined increasingly to poor neighborhoods, yielding a density of material deprivation that is historically unique and unprecedented. As poverty grows more geographically concentrated over time, its harmful by-products also will become more highly concentrated, intensifying social problems that the affluent will naturally seek to escape. Class segregation will increase, ratcheting up the concentration of affluence and poverty in self-reinforcing fashion.

This new ecological structure stems from deep and powerful forces operating in the world today. Simply put, concentrated poverty follows from any process that gathers poor

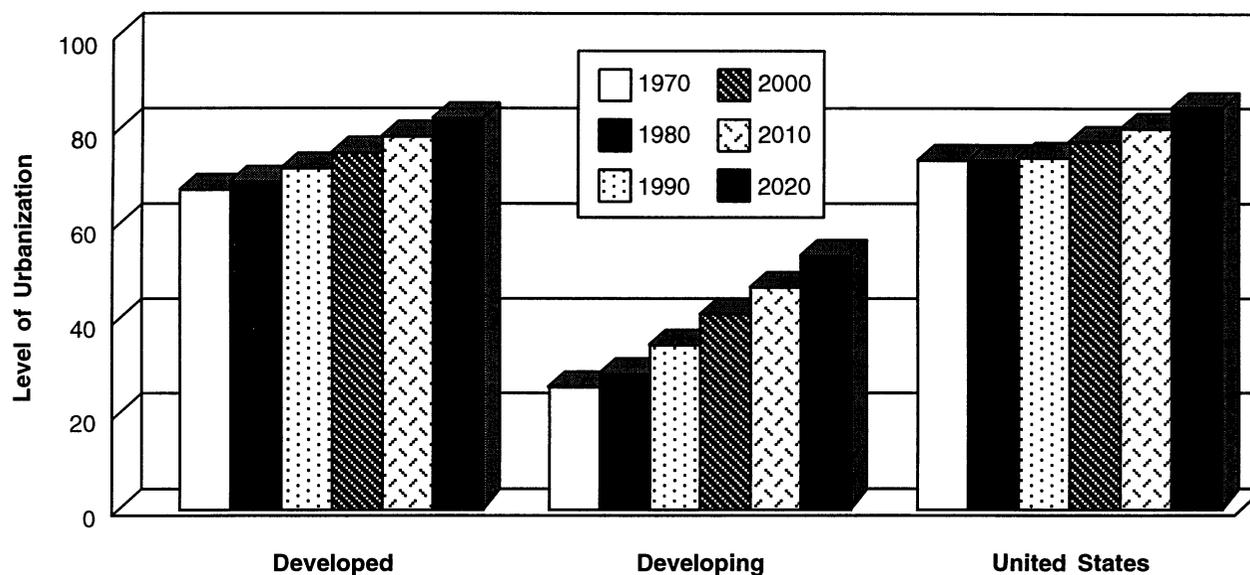
people together in space and then impedes their socioeconomic and residential mobility. At the end of the twentieth century, poor people are being assembled geographically through an ongoing process of urbanization that is already well advanced. Their social mobility is blocked by the emergence of a global economic structure characterized by stagnant mean incomes, rising inequality, and growing class rigidity; and their spatial mobility is stymied by a rising tide of class segregation that is exacerbated, in many places, by an ongoing pattern of deliberate racial and ethnic exclusion. Welcome to the new world order.

The Urbanization of Poverty

In a world where the great majority of people live in cities, poverty perforce will be urbanized. Figure 5 shows projected trends in the level of urbanization from 1970 to 2020 in developed regions, developing nations, and the United States (from United Nations 1995). Obviously most inhabitants of developed countries already live in urban areas: The proportion urban in the developed world was 74% in 1990 and is projected to reach 82% by 2020; in the United States the respective figures are 75% and 84%. Therefore, among developed nations, poverty already is highly urbanized, and this concentration will increase slowly but steadily in the coming decades.

The potential for change is considerably greater in the developing world. As late as 1970, only one-quarter of its

FIGURE 5. LEVEL OF URBANIZATION IN DEVELOPED AND DEVELOPING COUNTRIES, 1970–2020



population was urban; in 1990 the figure was only 35%. The path of urbanization, however, generally follows a logistic curve, beginning slowly and then accelerating rapidly for a time before leveling off and gradually approaching an upper asymptote (Preston 1979; United Nations 1980). Developing countries are now in that segment of the logistic curve characterized by rapid growth; the percentage urban is projected to rise rapidly in the next two decades, reaching 41% by the turn of the century and 47% in 2010.

Sometime between 2010 and 2020 the developing world as a whole will cross a significant dividing line: For the first time, a majority of its population will live in cities. Because the great majority of these new urbanites will be impoverished by any standard, this event implies that poverty also will become concentrated in urban areas. Therefore, early in the next century, the typical poor citizen of Planet Earth will cease to inhabit a small town or rural village, and instead will live in a large city. Because there is no precedent for a reversal of urbanization once it has begun, the future of human poverty almost certainly lies in cities. Barring a catastrophe that wipes out much of the world's urban population, poverty will become progressively urbanized during the next century, and nobody can do much to change this fundamental fact.

The Return of Inequality

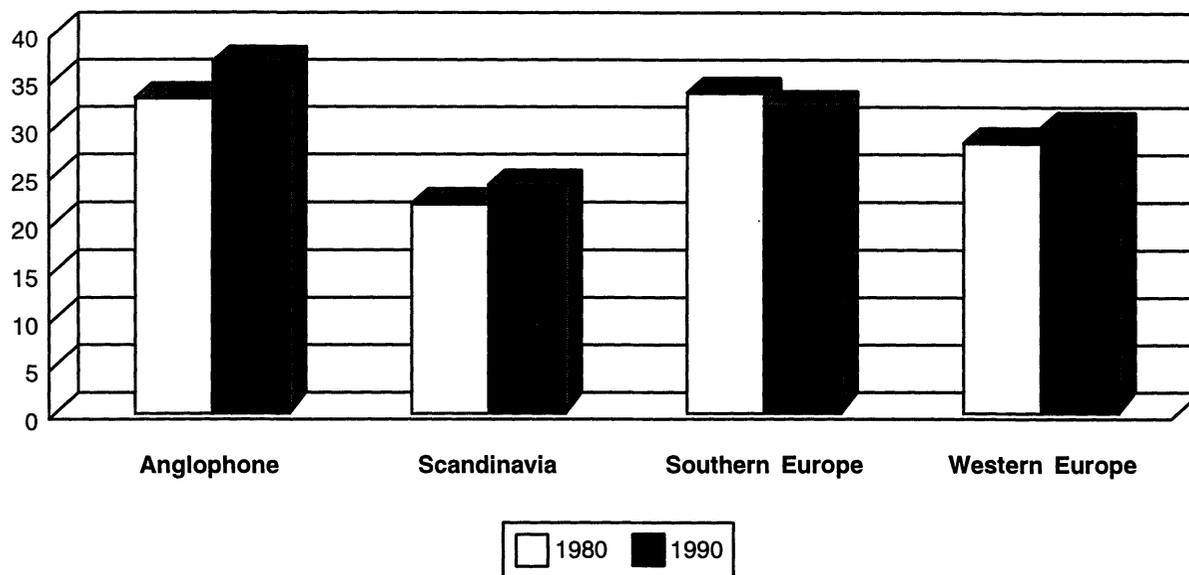
Urbanization stems entirely from rural-urban migration rather than from natural increase within cities (Preston 1979; United Nations 1980). Historically much of this urbanizing population movement was internal, with peasants leaving ru-

ral areas for cities in their own countries, but a substantial part has always been directed to urban destinations overseas. Such was the case in Europe as it underwent development in the nineteenth century (Hatton and Williamson 1994; Nugent 1992); much the same is occurring in developing nations today (Massey 1988).

When they arrived in cities, rural in-migrants of the past took advantage of numerous ladders of mobility to climb out of poverty and into the working, middle, and even upper classes (Alba 1981, 1990; Hutchinson 1956; Lieberman 1980). Through the mid-1970s a pattern of widespread social mobility prevailed for in-migrants to cities, not only in developed countries such as the United States (Blau and Duncan 1967; Featherman and Hauser 1978; Hauser and Featherman 1977) but also in developing societies such as Mexico (Balán, Browning, and Jelin 1973; Muñoz, Oliveira, and Stern 1977).

In the future, however, poor migrants who arrive in the world's burgeoning metropolises will be more likely to stay poor. Industrial growth and development from 1870 to 1970 produced a wholesale upgrading of the occupational structure to create a diamond-shaped status distribution that supported mass upward mobility, rising income, and declining inequality; in contrast, the postindustrial transformation since 1973 has produced an hourglass economic structure of high-paying jobs for the well-educated, a dwindling number of middle-income jobs for the modestly schooled, and many, many poorly paid jobs for those with little schooling. Such a structure creates few opportunities for mobility and carries great potential for inequality.

FIGURE 6. GINI INDICES FOR INCOME INEQUALITY IN DEVELOPED COUNTRIES: 1980–1990



We are thus in an era of high and rising inequality (see Braun 1991; Levy 1995; Oliver and Shapiro 1995; Wolff 1995). Figure 6 presents Gini indices measuring income inequality in selected developed nations in 1980 and 1990 (from Atkinson, Rainwater, and Smeeding 1995). During the 1980s, inequality increased most sharply in Anglophone countries such as Australia, Ireland, Britain, and the United States, where the Gini rose from 33 to 36. The index also rose in Scandinavia (Finland, Norway, and Sweden) and western Europe (Austria, Belgium, Germany, and the Netherlands). Only the relatively poor countries of southern Europe—Italy, Spain, and Portugal, where incomes were lower and inequality was greater to begin with—opposed the trend toward greater inequality. The shifts in Gini coefficients may appear modest, but they conceal a rather profound transformation in underlying economic structure.

The nature of this transformation may be discerned by a closer look at trends in the United States during two contrasting eras: 1949–1969 and 1973–1991. During the earlier period, median family income doubled in real terms; this increase was shared by families throughout the income distribution. When Sheldon Danziger and Peter Gottschalk (1995) divided family incomes by the poverty line and observed changes between 1949 and 1969, they found that relative incomes in the bottom quintile increased by 457%, while those in the next lowest quintile increased by 169%. In the two highest quintiles, meanwhile, relative incomes grew respectively by 102% and 93%. Therefore, in the postwar economy that prevailed through the early 1970s, everyone did better—the poor as well as the rich. A rising tide lifted all boats, and

the poverty rate dropped from 40% to 14% while the Gini index fell from 38 to 35 (Levy 1987).

After 1973, however, the median family income stagnated in real terms, ending only 6% higher in 1991. This stagnation in average income was produced by divergent trends at the extremes of the distribution. From 1973 to 1991, relative incomes for families in the two bottom quintiles declined by 19% and 8% respectively, whereas those for families in the two top quintiles increased by 21% and 22% (Danziger and Gottschalk 1995). Rather than a rising tide that lifted all boats, after 1973 Danziger and Gottschalk found uneven tides that elevated the yachts of the rich but beached the dinghies of the poor.

As a result of these contrasting trends, the shape of the income distribution changed gradually. As Martina Morris and her colleagues have shown, the middle categories shrank while the extremes expanded (Morris, Bernhardt, and Handcock 1994). After 1973 the poverty rate stopped falling in the United States, and the Gini index for family income rose from 35 to 40 by 1991 (Levy 1995). This 14% increase in inequality over the course of 18 years wiped out the entire postwar decline, and by 1991 had produced a more skewed distribution of income than existed in 1947!

Similar trends were occurring elsewhere in the developed world. Except for Australia and the United Kingdom, however, they were less dramatic than in the United States (Atkinson et al. 1995). In continental Europe, the new economic order was expressed more strongly as stagnating employment than as a decline in real wages. Income inequality rose slightly in European countries during the 1970s and

1980s, but unemployment increased fivefold between 1973 and 1985 (Krugman 1994). Despite population growth, European employment fell in absolute terms between 1973 and 1985, yielding a jobless rate whose degree and permanence were unprecedented in the postwar era.

It is much more difficult to make factual statements about trends in inequality in developing countries. Certainly in Mexico, the one developing country I know well, prospects for socioeconomic mobility seem bleak. From 1980 to 1989, the real minimum wage declined by 47%, GDP per capita declined by 9%, and the percentage of families earning less than twice the minimum wage, a rough indicator of poverty, rose to include 60% of the population (Sheahan 1991). According to conservative estimates, 48% of all Mexicans lived in poverty by 1989 (Escobar Latapí 1996); by 1996 Mexican wages had lost 68% of their 1982 value (Equipo Pueblo 1996). Over the course of the 1980s, Mexico's standard of living fell to levels last seen in the 1960s. In just five years, from 1984 to 1989, income inequality increased enough to cancel out half of the decline achieved over the two previous decades (Cortés and Rubalcava 1992); it would have increased even more if not for the massive entry of additional household workers into the informal workforce (Cortés 1994; González de la Rocha 1986). Rates of occupational mobility increased during the 1980s, but most of the movement was downward (Escobar Latapí 1995).

Therefore, whether they stay in Mexico or come to the United States, therefore, poor Mexicans migrating from rural communities will face dim prospects for social mobility wherever they go, be it Los Angeles or Guadalajara. On both sides of the border, rural-urban migrants will confront a socioeconomic structure that offers few ladders of mobility, little access to high-wage employment, and, for those without education, the strong possibility of an enduring place at the bottom of the income distribution.

These trends are not likely to moderate soon. Although the causes of the new inequality are under debate, my own reading of the literature suggests that the transformation stems from three broad, interrelated trends that are rooted deeply in the postindustrial economic order: the computerization of production, the globalization of capital and labor markets, and the fragmentation of consumer markets.

The cybernetic revolution has profoundly altered the nature and the social organization of human production. During the 1970s and early 1980s, computerization swept through manufacturing. Older manufacturing plants that employed thousands of well-paid, unionized workers were replaced by new, capital-intensive facilities where a few workers operated mechanized, continuous-flow production lines controlled by computers and staffed by robots. Manufacturing productivity soared, and those plants that could not compete either closed their doors or relocated to low-wage areas overseas. Employment in manufacturing plummeted, especially in older urban areas (Kasarda 1995); as manufacturing employment dwindled, so did union membership. Between 1969 and 1989 the share of nonagricultural workers in unions dropped from 29% to 16%; in the private sector the level of

unionization reached 12%, a figure last seen in the 1920s (Freeman 1993).

While manufacturing bore the brunt of the cybernetics revolution during the 1970s and early 1980s, the moment of truth came for the service sector during the late 1980s and early 1990s. Large bureaucratic organizations loaded with mid-level white-collar workers gave way to reengineered, downsized, and flattened organizations that were "lean and mean" (Harrison 1995).

Making use of new, ultrafast computer chips and fiber optics, programmers wrote software that routinized human expertise within canned algorithms that had user-friendly interfaces. Armed with these new cybernetic tools, one modestly trained operative could perform all of the tasks formerly carried out by scores of expensive white-collar workers, often in a fraction of the time. During the 1990s, the gray flannel suit gave way to the pink slip as corporations shed mid-level bureaucrats by the thousands (Harrison 1995; Rifkin 1995).

While computers were transforming productivity in manufacturing and services, they were also facilitating a revolution in the geographic reach of factor markets. Over the past two decades markets for capital and labor have globalized, causing a worldwide competition for funds and workers. Capital now roams the world incessantly, seeking companies and countries that offer high returns and low risks, while labor finds itself in a global hiring hall where high-wage workers in developed nations compete directly with millions of desperately poor workers throughout the developing world.

This globalization of factor markets was facilitated by the rising speed of communications, the declining costs of transportation, the increasing ease of international movement, the growing prevalence of smaller and lighter consumer products, and the rising importance of knowledge in the productive process. If the owners of capital find more attractive prospects in one venue, or dislike developments in another, they can shift billions of dollars across international borders in a nanosecond, as Mexico learned to its dismay in December 1994. Likewise, if producers based in developed nations need to reduce their labor costs, they can easily relocate factories to low-wage areas overseas, or they can simply wait for immigrants from these areas to appear at their factory gates.

The third development of the postindustrial era has been the fragmentation of consumer markets. From 1870 to 1970, nations in general and the United States in particular prospered because companies were able to manufacture standardized goods and sell them to a growing mass market of middle-class consumers who exhibited similar needs and tastes. Products became more affordable because economies of scale reduced their price; consumer markets grew because mass production required armies of well-paid, unionized workers to staff the manufacturing apparatus and legions of salaried white-collar workers to administer it (Maddrick 1995; Rifkin 1995).

Since 1970, international competition, technological innovation, and demographic shifts have fragmented these

mass markets. In response, firms have developed new strategies to cater to small, specialized market niches that rely on new techniques of flexible production, just-in-time delivery, outsourcing, and continuous-flow production. Under the old industrial regime, companies were large, hierarchies were deep, authority was rigid, markets were massive and homogeneous, and firms were slow to respond to shifts in consumer demand. In the new postindustrial order, companies are lean, hierarchies are flattened, authority is flexible, markets are fragmented and diverse, and successful firms move quickly to anticipate shifting demand. The end result is a further segmentation of labor markets in developed countries and additional downward pressure on salaries and wages (Harrison 1995).

The forces of computerization, globalization, and fragmentation have operated simultaneously over the past two decades in mutually reinforcing fashion; it is fruitless to ask which came first or which is most important. Rather, the three processes have fed off one another to cause a marked and seemingly permanent change in the economic structure of nations and the world.

The abruptness of the discontinuity is suggested by the disappearance of numerous well-established empirical regularities that characterized economic life in the United States through 1970. In contrast to the industrial regime of the past, wages in the new postindustrial economy are not related to trends in productivity; poverty is not correlated with the business cycle; corporate pay is not tied to the company's profitability; and there is no longer an association between workers' wages and managers' salaries (Krugman 1995; Maddrick 1995).

That something profound has happened is obvious from a simple recitation of the titles of books that I read in preparing this address: *The End of Affluence* (Maddrick 1995), *The End of Equality* (Kaus 1992), *The End of Work* (Rifkin 1995), *The Jobless Future* (Aronowitz and DiFazio 1994), *The Age of Diminished Expectations* (Krugman 1994), *Understanding American Economic Decline* (Bernstein and Adler 1994), *America Unequal* (Danziger and Gottschalk 1995), *The Winner-Take-All Society* (Frank and Cook 1995), *Revolt of the Elites* (Lasch 1995), and *The Next American Nation* (Lind 1995).

Clearly we are in a new era, and there is no going back. Computers cannot be disinvented; instantaneous telecommunications cannot be undone; transportation cannot become slower and more expensive; the globalization of factor markets will not be reversed; and the homogeneous mass consumer markets of the postwar era will not return soon. If anything, the pace of technological change will quicken to reinforce the structural changes that have already occurred. The age of economic inequality is upon us.

Class Segregation

Not only have the rich and the poor been pulling apart economically through a transformation of the income distribution; since 1970 they have also been separating spatially through a resurgence of class segregation. In the United

States, the geographic barriers between rich and poor have increased steadily, resulting in a significant rise in residential segregation by income, as shown in Figure 7.

The left-hand bars show the degree of residential dissimilarity between poor and nonpoor persons in 1970, 1980, and 1990 in the 10 largest metropolitan areas of the United States (from Abramson et al. 1995). The middle bars show the extent of residential dissimilarity between affluent and poor families; figures for 1970 and 1980 come from Massey and Eggers (1993), and those for 1990 from Nancy Denton. Both series reveal a steady rise in the degree of segregation between the haves and the have-nots in U.S. society. The poor-nonpoor index rose from 37 in 1970 to 40 in 1980 to 41 in 1990, while the poor-affluent index rose from 49 to 52 to 56 over the same period.

In a forthcoming paper, Paul Jargowsky shows that the use of dissimilarity indices to measure class segregation confounds changes in the spatial distribution of income groups with changes in the shape of the income distribution itself, thereby understating the degree of class segregation. To control for this bias, he proposes an alternative "class sorting index" based on the correlation ratio, which I present on the right-hand side of Figure 7.

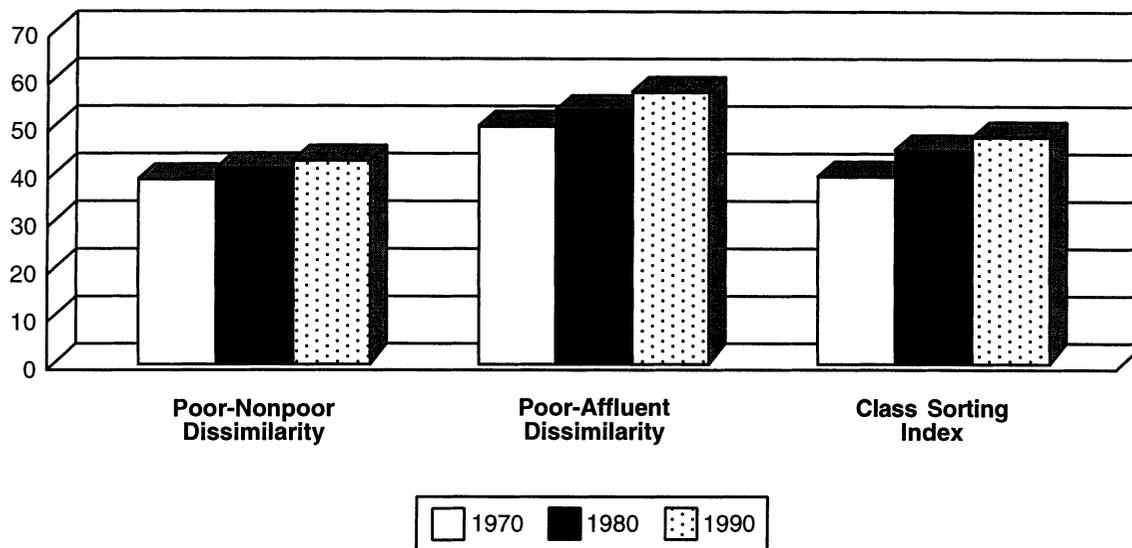
This index increases from 37 to 45 between 1970 and 1990, a confirmation that earlier trends based on the index of dissimilarity were not merely methodological artifacts. Detailed analyses conducted by Jargowsky and by Abramson et al. show that increasing class segregation was remarkably widespread among regions and population groups. Whether one looks south, north, east, or west, or at whites, blacks, Hispanics, or Asians, America became a more class-segregated society during the 1970s and 1980s (Abramson et al. 1995; Jargowsky forthcoming).

Because of an absence of data, once again it is difficult to assess whether comparable trends are occurring elsewhere in the developed world, or whether U.S. trends can be generalized to developing regions. I suspect that I would detect similar trends elsewhere if I had the requisite ecological data, although perhaps the trends would be less striking than in the United States. Certainly in Mexico, the evidence suggests a long-standing pattern of residential segregation between high- and low-income groups in metropolitan areas, an ecological gulf that widened significantly during the 1980s (see Alegría 1994; Delgado 1990; Rubalcava and Schteingart 1985; Walton 1978).

Racial and Ethnic Segregation

Given a high and rising level of urbanization, growing income inequality, and rising class segregation, an increase in the geographic concentration of affluence and poverty is all but inevitable. These spatial processes are magnified, however, when they occur in a group that is also segregated on the basis of an ascribed characteristic such as race; and no feature of our national life has proved to be as enduring as the residential color line separating black from white America (Massey forthcoming). Because of a history of discrimination in the real estate and banking industries, the persistence

FIGURE 7. MEASURES OF INCOME SEGREGATION IN THE 10 LARGEST METROPOLITAN AREAS: UNITED STATES, 1970–1990



of white racial prejudice, and a legacy of racially biased public policies, blacks continue to be the most residentially segregated group in the United States (Farley and Frey 1994; Massey and Denton 1993).

As a result, when black poverty rates rose during the 1970s and 1980s, the increased poverty was absorbed by a small set of racially homogeneous, geographically isolated, densely settled neighborhoods packed tightly around the urban core; and because class segregation was increasing as well (see Jargowsky forthcoming), a disproportionate share of the economic pain was absorbed by neighborhoods that were not only black but also poor. As a result, broader trends toward income inequality and class segregation in the United States isolated poor blacks far more severely than poor whites.

By 1990, according to John Kasarda (1993), 41% of poor blacks in U.S. central cities lived in poor neighborhoods, and 42% lived in very poor neighborhoods, figures well above the comparable levels for whites (32% and 11% respectively). Computations performed by Lauren Krivo and colleagues (1996) show that the extent of poverty concentration was 50% higher among central-city blacks in 1990 than among central-city whites (with an isolation index of 32 for the former and 21 for the latter).

Focusing on central cities, however, understates the black-white contrast. When Mitchell Eggers, Andrew Gross, and I examined the 50 largest metropolitan areas in 1980, we found that 64% of poor blacks lived in neighborhoods with a poverty rate over 20%, compared with just 13% of poor whites (Massey, Gross, and Eggers 1991). The isola-

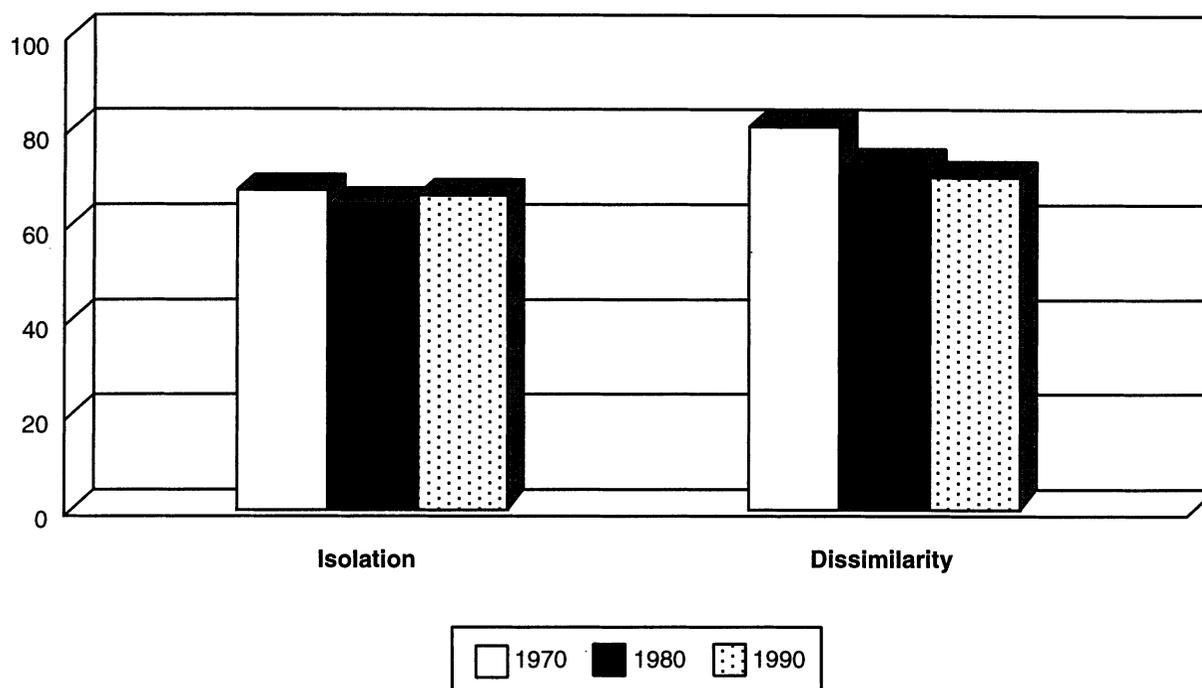
tion indices we computed revealed that the level of poverty concentration for poor blacks was four times that of poor whites.

To a great extent, then, increases in the concentration of poverty observed during the 1970s and 1980s in U.S. urban areas reflect rising inequality caused by racial rather than class segregation. At any given level of income segregation, poverty is concentrated most strongly in cities that are also racially segregated; and when for the degree of class segregation is controlled, racial segregation exerts a powerful independent effect on the extent of poverty concentration (Massey and Eggers 1993). Were black-white segregation to be eliminated, a principal force behind the spatial concentration of poverty in the United States would disappear.

Unfortunately, although Reynolds Farley and William Frey (1994) have detected "small steps toward an integrated society," we are not yet able to debate whether the glass is half empty or half full. At this point the glass is about 80% empty and 20% full. Figure 8 presents black isolation indices and black-white dissimilarity indices for 1970, 1980, and 1990 in the 30 U.S. metropolitan areas with the largest black populations. Although black-white dissimilarity declined by 10% in the two decades after 1970, it still stood at a remarkable 73 in 1990. This figure is higher than even the most extreme scores observed for other groups, such as Hispanics and Asians (Farley and Frey 1994).

A glance at the isolation indices yields an even more pessimistic picture: During the 1980s the small declines of the 1970s were arrested and reversed. Over the 20-year period, average black isolation decreased from 69 to 65 and

FIGURE 8. BLACK SEGREGATION IN THE 30 U.S. METROPOLITAN AREAS: 1970–1990



then rose again to 67. The sad fact is that African Americans were virtually as isolated in 1990 as on the day when Congress passed the Fair Housing Act in 1968.

As if these patterns were not enough, the numbers are even more disturbing in one set of metropolitan areas. On the basis of an analysis of 1980 data, Nancy Denton and I coined the term *hypersegregation* to describe places where blacks were highly segregated on multiple geographic dimensions simultaneously (Massey and Denton 1989). Nancy has reexamined the issue using 1990 data and has found that black hypersegregation not only continues, but in many ways it has grown worse (Denton 1994). Of the 16 metropolitan areas defined as hypersegregated in 1980, 14 met the technical criteria again in 1990. The two areas that missed the threshold did so by a trivial amount, and all areas that were hypersegregated in 1980 showed an increase on at least one dimension of segregation by 1990.

Thus, metropolitan areas that were hypersegregated in 1980 generally remained so in 1990, and we found little trend away from this extreme pattern of racial isolation. On the contrary, hypersegregation spread to new urban areas during the 1980s. Of the 44 nonhypersegregated metropolitan areas that Nancy and I examined in 1980, six met the criteria in 1990, bringing the total number to 20. Taken together, these areas contain 11 million African Americans, who together constitute 36% of the black population of the United States.

Thus it is quite clear that racial segregation will not disappear from U.S. urban areas soon, and that its poverty-concentrating effects will be with us for the foreseeable future. Although trends in racial and ethnic segregation are documented less clearly in other countries, we know that racial and ethnic minorities are rapidly growing throughout Europe, Australia, and Japan as a result of international migration (Stalker 1994), and that these growing populations have aroused racist sentiments in many countries. Insofar as these sentiments are translated into residential segregation, broader trends toward concentrated affluence and poverty will be exacerbated.

THE POLITICAL ECOLOGY OF INEQUALITY

Unless there is a radical departure from recent trends, poverty and affluence are almost certain to become geographically concentrated at high levels throughout the world early in the next century. Increasingly the poor and the rich will inhabit large urban areas, and within these places they will concentrate in separate neighborhoods. This ecological structure constitutes a radical departure from the past, and creates the potential for a new geopolitical order capable of compounding the benefits and liabilities of class by superimposing administrative segmentation on economic segregation.

Whether or not this potential is realized depends on how political districts are constructed. Insofar as the boundaries of local governmental units can be arranged to approximate

the geographic contours of concentrated affluence and poverty, and insofar as the financing and delivery of public services can be shifted down the political hierarchy, the potential for reinforcing class advantages and disadvantages will be maximized.

In a society where most people live in small towns and villages, rich and poor families must mix socially, share the same public services, and inhabit the same political units. In such a geopolitical structure, the poor benefit from public institutions to which the rich are committed by reason of self-interest. When poverty and affluence become urbanized and geographically concentrated, however, the affluent acquire a means to separate themselves politically from the poor through the judicious drawing of political lines in space. If they can create separate governmental and administrative districts that encompass concentrations of poverty, and if they can force these poor districts to supply and pay for their own services, then the affluent will be able to insulate themselves from the economic costs imposed on society by the poor.

In the United States, the poor are isolated politically by the segmentation of metropolitan regions into a patchwork of separate municipalities. The concentration of affluence in certain suburbs generates high real estate values that allow the affluent to tax themselves at low rates while offering generous, even lavish municipal services. The concentration of poverty in central cities and some inner suburbs generates a high demand for services but yields low property values; thus, higher tax rates are required to support generally inferior services. The end result is a vicious cycle whereby city taxes are raised to maintain deficient services; consequently families with means are driven out; property values then decline further; the result is more tax increases and additional middle-class flight, which further exacerbate the concentration of poverty.

Under an ecological regime of concentrated affluence and poverty, efforts to decentralize government and shift the financing and provision of services to local government represent a means of enhancing the social and economic well-being of the rich at the expense of the poor. Political decentralization is progressive and democratic only in a world where all classes live together in small communities; this antiquated model of society no longer prevails, however, although it appears frequently in the writings of conservative thinkers (see Herrnstein and Murray 1994). In today's world of dense, urban agglomerations characterized by pronounced income inequality and increasing class segregation, political decentralization is punitive and regressive, forcing the poor to bear most of the cost of their own disadvantage. In a world of small towns and modest communities, political decentralization yields the social world of Andy Hardy; in a class-segregated world of large urban areas it produces the bleak vision of the *Blade Runner*.

Many mechanisms compound class advantages and disadvantages in the new ecology of inequality, but perhaps the most significant occurs through schools. Education is the most important single resource presently traded on global la-

bor markets: In recent years workers with college and post-graduate degrees have seen their earnings rise, while high school graduates' and dropouts' wages have fallen. Access to high-quality education thus has become the crucial factor determining one's position in the postindustrial pecking order.

Because the emerging ecological structure concentrates the best-prepared students in areas of resource abundance while gathering the least well-prepared students in areas of resource scarcity, it necessarily exacerbates class inequities and promotes a more rigid stratification of society. Students from low-income families with poorly educated parents, little experience with books or reading, and multiple social problems attend schools with the fewest resources to help them learn, while students from affluent families with well-educated parents, extensive experience with books and reading, and few social problems attend well-funded schools that are most able to promote learning. The spatial concentration of affluence and poverty thus raises the odds that affluent children will receive a superior education while poor children will get inferior schooling.

THE CULTURAL ECOLOGY OF INEQUALITY

Until recently, poverty, though endemic, was spread uniformly in space and rarely occurred at high densities. Most impoverished families lived in small rural communities where the range of material well-being was limited. The few affluent families that were present locally were not especially affluent, and they tended to be closely related to others in the community. Truly wealthy families in the governing elite lived far away; the prevalent atmosphere in most places was one of collective poverty and shared deprivation.

In such settings, proclivities toward violence, crime, and other maladies exacerbated by material deprivation could be held in check by informal means. In small rural communities, as generations of cultural anthropologists have shown, everyone knows everyone else, either directly through personal experience or indirectly through ties of kinship or friendship. Through social networks, rewards and punishments are meted out to reinforce and maintain accepted standards of behavior. Age-old devices such as gossip, ridicule, shame, and ostracism, backed occasionally by physical discipline, are employed to punish public departures from accepted behavior, whereas praise, esteem, and prestige are accorded to those who conform (see Foster 1967; Lewis 1951).

As observed by theorists from Emile Durkheim ([1893] 1933) to Edward Banfield (1967), these informal mechanisms of social control which prevail in small towns and villages produce a repressive moral code that preserves public order and maintains social stability at the cost of individuality, innovation, and change. Louis Wirth, however, noted in his classic 1938 essay that these informal mechanisms break down in large, densely settled, and diverse urban populations. Great size confers anonymity and a certain immunity from social interference by friends and relatives. In a city, rural migrants are freed from the constraints of tradition to pursue their own individual interests and tastes, conducting

activities that might have been discouraged or even punished in their communities of origin.

Wirth was disturbed by the implications of urbanism; he viewed it as breeding impersonality, isolation, alienation, anomie, and a proliferation of vice and deviance, a collection of maladies he generically labeled *urban malaise*. Certainly there was plenty of malaise in his own time and place, Chicago in the 1930s, which by any standard exhibited high rates of violence, alcoholism, prostitution, drug abuse, and intergroup conflict. All of this was documented extensively by Wirth's students and colleagues at the University of Chicago.

In subsequent years, however, key postulates of Wirth's theory were not sustained by research, and his ideas fell into disrepute. Although correlations between urbanism and various forms of social deviance endured over time, urban sociologists such as Claude Fischer (1982) did not find that urban dwellers were isolated, alienated, or anomic. Indeed, inhabitants of large cities were connected to other people just as fully as inhabitants of small towns. Although the networks they built were composed more of friends than of family, their social circles were about the same size and they were just as satisfied with their lives.

It is clear that Wirth failed because he looked at the social world of Chicago in the 1930s and made the wrong inference. He saw high rates of unconventional and antisocial behavior, and attributed these outcomes to urbanism. I believe that what he actually saw in depression-era Chicago were the consequences of concentrated poverty. Louis Wirth was the first social scientist to note a connection between the geographic concentration of poverty and the proliferation of socially destructive behavior, although he didn't quite recognize it at the time.

The social malaise observed by Wirth did not stem from urbanism per se, but from the concentration of poverty during the Great Depression. A few years after Wirth wrote his essay, St. Clair Drake and Horace Cayton (1945) published a map showing the percentage of families on relief in various Chicago neighborhoods in 1934. This map is almost identical to a map published 40 years later by William Julius Wilson (1987). In the 1980s, as in the 1930s, the spatial concentration of material deprivation stemmed from the same underlying causes: rising income inequality and growing class segregation amplified by racial segregation.

Drake and Cayton's maps clearly revealed the close connection between high concentrations of poverty and various social problems such as unwed childbearing, delinquency, and disease. The importance of these empirical connections was soon forgotten, however, as mass socioeconomic and residential mobility during the 1950s and 1960s weakened the ecological correlations underlying Wirth's theory and discredited his ideas. A series of detailed ethnographic studies also showed that poor urbanites were anything but socially disengaged and alienated (see Gans 1962; Stack 1974; Suttles 1968; Whyte 1955).

In 1975 Claude Fischer proposed a theory to account for the connection between urbanism and unconventionality

without resorting to concepts such as alienation, anomie, and malaise. His analysis provides a way of understanding the cultural consequences of concentrated affluence and poverty. In essence, Fischer argued that cities create fertile conditions for the emergence and perpetuation of urban subcultures. Under conditions of geographic concentration, subcultures emerge and intensify to produce high rates of unconventional behavior. Apparent deviance within cities occurs not because urbanites are alienated or anomic, but because they are deeply embedded in intense, socially cohesive subcultures that sustain and reinforce attitudes and behaviors which the wider public finds exotic, foreign, or deviant.

According to Fischer (1995:549), "subcultural theory seems really to be a theory of *group concentration*...[and] subcultural processes are revealed to be fundamentally about *intragroup accessibility*. Spatial agglomeration is...one way group members gain access to one another [and] in the end, [it]...is largely about the ability of subcultural members to communicate, to create 'moral density'...it is not necessarily about *cities per se*" (emphasis in original). The geographic agglomeration, through urbanization, of people with similar traits gives rise to distinct subcultures that reflect the characteristics of the people who are concentrated in space.

In this sense, the advent of geographically concentrated affluence and poverty as the dominant spatial structure of the twenty-first century has profound implications for the nature of social life. Not only will the informal means by which past societies preserved public order break down and ultimately disappear under the onslaught of urbanization; they will be replaced by new cultural forms rooted in the ecological order of concentrated affluence and poverty.

Just as poverty is concentrated spatially, anything correlated with poverty is also concentrated. Therefore, as the density of poverty increases in cities throughout the world, so will the density of joblessness, crime, family dissolution, drug abuse, alcoholism, disease, and violence. Not only will the poor have to grapple with the manifold problems due to their own lack of income; increasingly they also will have to confront the social effects of living in an environment where most of their neighbors are also poor. At the same time, the concentration of affluence will create a social environment for the rich that is opposite in every respect from that of the poor. The affluent will experience the personal benefits of high income; in addition, they will profit increasingly from the fact that most of their neighbors possess these advantages as well.

Therefore, in the emerging ecology of inequality, the social worlds of the poor and the rich will diverge to yield distinct, opposing subcultures. Among those at the low end of the income distribution, the spatial concentration of poverty will create a harsh and destructive environment perpetuating values, attitudes, and behaviors that are adaptive within a geographic niche of intense poverty but harmful to society at large and destructive of the poor themselves. At the other end of the hierarchy, a contrasting subculture of privilege will emerge from the spatial niche of concentrated affluence

to confer additional advantages on the rich, thereby consolidating their social and economic dominance.

Perhaps no consequence of concentrated poverty is as destructive as the proliferation of crime and violence. Criminal behavior is associated strongly with income deprivation; thus the geographic concentration of poverty will cause a concentration of criminal violence in poor neighborhoods (Massey, Condran, and Denton 1987). According to estimates I developed for Philadelphia, every one-point increase in the neighborhood poverty rate raises the major crime rate by 0.8 point (Massey 1990, 1995). Krivo and Peterson (forthcoming) use data from Columbus, Ohio to show that moving from a neighborhood where the poverty rate is under 20% to a neighborhood where it is over 40% increases the rate of violent crime more than threefold, from around 7 per thousand to about 23 per thousand.

How will the poor adapt to an environment where violence is endemic and the risk of victimization great? At the individual level, a logical adaptation is to become violent oneself. As my colleague Elijah Anderson (1994) has discovered through his ethnographic fieldwork, one can deter potential criminals and increase the odds of survival by adopting a threatening demeanor, cultivating a reputation for the use of force, and backing that reputation with selective violence. In a social world characterized by endemic violence, an obsessive concern with respect becomes a viable adaptive strategy (Bourgeois 1995).

Therefore, given the progressive concentration of violence, some poor people certainly will adopt violent attitudes and behavior as survival strategies. As more people adopt more violent strategies for self-preservation, the average level of violence in poor neighborhoods will rise, leading others to adopt still more violent behavior. As the average level of violence rises over time, more people will adopt increasingly violent strategies to protect themselves from the growing threat of victimization, and ultimately will produce a self-perpetuating upward spiral of violence.

The fundamental need to adapt to structurally embedded conditions of endemic violence leads to the emergence of a "code of the streets" that encourages and promotes the use of force. Asking residents of poor neighborhoods to choose a less violent path or to "just say no" to the temptation of violence is absurd in view of the threatening character of the ecological niche they inhabit. To survive in such areas, one must learn and (to a significant extent) internalize the code of violence described by Anderson. In this way, aggression is passed from person to person in a self-feeding, escalating fashion.

Recent brain research suggests that this internalization of violence is more than a socially learned reaction that one can set aside whenever the situation warrants. Repeated exposure to high levels of danger and physical violence wire emotional predispositions to rage and violence directly into the brain and make them an organic part of a person's makeup. Research has shown that perceptions of danger are channeled directly to a small mass of neural cells known as the amygdala, which sits above the brain stem near the bot-

tom of the limbic ring (Goleman 1995). The amygdala is capable of generating an emotional response that triggers aggressive, violent behavior without passing through the neocortex, the center of rational thought (LeDoux 1986).

Emotional responses developed through the limbic system are learned, but they are unconscious and automatic. Perceptions of danger may be signaled not only by physical threats but also by symbolic injuries to self-esteem or dignity (Goleman 1995). The threat triggers the amygdala to produce a limbic surge, which releases catecholamines to generate a quick rush of energy lasting minutes. At the same time, the amygdala activates the adrenocortical system to produce a general state of readiness that lasts for hours or even days. Adrenocortical arousal, in turn, lowers the subsequent threshold for anger and increases the intensity of emotions, raising the odds that the rational centers of the brain will be overwhelmed by powerful emotions beyond the control of the neocortex.

By dramatically increasing the exposure of the poor to violence from a very early age (see Ousseimi 1995), the new ecological order will maximize the number of people with hair-trigger tempers and elevated predispositions to violence. These emotional reactions, moreover, will not be turned on and off easily and rationally in response to shifting social contexts. People who grow up in areas of concentrated poverty and violence will experience profound spillover effects in other areas of life: Disagreements with bosses, spouses, and children will be more likely to turn violent, and thus the odds of successful employment, marriage, and childrearing will be diminished. Concentrated poverty is a stronger predictor of violent crime than of property crime, and of violence between people known to one another than between strangers (Krivo and Peterson forthcoming; Miles-Doan and Kelly 1996).

The contrasting ecologies of affluence and poverty will also breed opposing peer subcultures among rich and poor youths. As affluence grows more concentrated, the children of the privileged will socialize increasingly with other children of well-educated and successful parents. Knowledge of what one does to prepare for college and an appreciation of the connection between schooling and socioeconomic success will be widespread in the schools of the affluent. Students will arrive in the classroom well prepared and ready to learn. School officials need only build on this base of knowledge and motivation by using their ample resources to hire well-informed guidance counselors and enthusiastic, talented teachers.

Meanwhile, the children of the poor increasingly will attend schools with children from other poor families, who themselves are beset by multiple difficulties stemming from a lack of income. Parents will be poorly educated and will lack adequate knowledge about how to prepare for college. Children will not fully appreciate the connection between education and later success. Supervision and monitoring of students will be difficult because so many come from single-parent families, and the schools will be unable to offset this deficit because of funding limitations. Students will arrive in

the classroom poorly prepared, and neither the dispirited guidance counselors nor the overworked, underpaid teachers will expect much from the students.

In such settings an alternative status system is almost certain to develop. Under circumstances where it is difficult to succeed according to conventional standards, the usual criteria for success typically are inverted to create an oppositional identity (Ogbu, 1978, 1983). Children formulate oppositional identities to preserve self-esteem when expectations are low and when failure by conventional standards is likely. Thus, in areas of concentrated poverty, students from poor families will legitimize their educational failures by attaching positive value and meaning to outcomes that affluent children label deviant and unworthy. In adapting to the environment created by concentrated poverty, success in school will be devalued, hard work will be regarded as selling out, and any display of learning will be viewed as uncool.

Oppositional subcultures already have become entrenched in many black inner-city areas of the United States, where high levels of racial segregation have produced unusually high concentrations of poverty and educational distress (Fordham and Ogbu 1986). Once such a subculture becomes established, it acquires a life of its own that contributes independently to the perpetuation of educational failure, the reproduction of poverty, and the cultural transmission of low socioeconomic status from person to person, family to family, and group to group (see Anderson 1990; Portes 1995).

INTO THE AGE OF EXTREMES

Thus a new age of extremes is upon us. In the social ecology now being created around the globe, affluent people increasingly will live and interact with other affluent people, while the poor increasingly will live and interact with other poor people. The social worlds of the rich and the poor will diverge, creating the potential for radical differences in thought, action, values, tastes, and feelings, and for the construction of a new political geography that divorces the interests of the rich from the welfare of the poor. For the first time in human history, the advantages and disadvantages of one's class position in society will be compounded and reinforced by a systematic process of geographic concentration.

I have tried to present my arguments at a general level, describing the forces that produce geographically concentrated affluence and poverty and outlining the consequences of these trends without reference to a specific racial or ethnic group. I believe that social scientists in the United States have focused too narrowly on the problems of African Americans in urban ghettos, and thus have mistakenly racialized processes that are much broader and more general than most observers realize.

The effects of ongoing urbanization, rising income inequality, and growing class segregation are exacerbated by racial segregation so that the effects are most salient and most visible among African Americans, but the basic processes are sweeping the world and concentrating poverty everywhere. In presenting the arguments at a general level, I

seek to create a theoretical link between violence in Harlem and disorder in the slums of Rio and Mexico City, between social breakdown on the South Side of Chicago and the collapse of authority in rapidly urbanizing societies of Africa. In my view, the spatial concentration of poverty is implicated in the escalation of crime, disease, family breakdown, and the proliferation of various social pathologies throughout the world.

I also believe that social scientists' attention of has concentrated too narrowly on the poor and their neighborhoods. Our obsessive interest in the generation and reproduction of class is rarely focused on the affluent. Scores of ethnographers descend on the homes, bars, and street corners of the poor to chronicle their attitudes and behavior; few attempt to infiltrate the mansions, clubs, and boutiques of the wealthy to document the means by which they maintain and reproduce their affluence. The concentration of affluence and poverty means that the social lives of the rich and the poor increasingly will transpire in different venues; we must study both in order to fully comprehend the newly emerged system of stratification.

Although I have sketched a few of the ecological mechanisms by which inequality will be created and reproduced in the postindustrial society of the twenty-first century, my list is not exhaustive. A great deal remains to be said, written, and researched. Although limitations of time and space do not permit me to go into detail, I believe that the concentration of poverty is a primary force behind the spread of new diseases such as AIDS and the resurgence of old ones such as tuberculosis (see Garrett 1994; Gould 1993; Wallace and Wallace 1995); it also stands behind the creation and perpetuation of joblessness and the decline of marriage among the poor (Krivov et al. 1996; Massey and Shibuya 1995; Wilson 1987). It is implicated as well in the increase in unwed childbearing (Massey and Shibuya 1995), and I believe it contributes to the spread of homelessness around the United States and the world. No doubt concentrated poverty also can be implicated in a variety of other social and economic phenomena in ways that have yet to be discovered.

Although I have attempted to explain how our social world has been transformed by the forces of spatial redistribution, it is more difficult to describe how the harmful social consequences of this transformation might be avoided. Confronting the new ecology of inequality is particularly difficult because concentrated poverty creates an unstable and unattractive social environment that is at once a cause and a consequence of class segregation. The social chaos stemming from concentrated poverty propels the affluent further into geographic and social withdrawal, and their departure further isolates the poor and stokes the fires of social disorder. Insofar as racial and ethnic segregation perpetuate concentrated poverty and its consequences in minority communities, the proliferation of antisocial behaviors will fuel pejorative stereotypes and intensify prejudice, making political solutions so much more difficult.

How does the future look to me? Bleak, because I know that it is in the elite's narrow self-interest to perpetuate the

status quo. Addressing serious issues such as increasing income inequality, growing class segregation, racial prejudice, and the geographic concentration of poverty will inevitably require sacrifice, and the immediate course of least resistance for affluent people will always be to raise the walls of social, economic, and geographic segregation higher in order to protect themselves from the rising tide of social pathology and violence.

If the status quo indeed is the most likely outcome, inequality will continue to increase and racial divisions will grow, creating a volatile and unstable political economy. As class tensions rise, urban areas will experience escalating crime and violence punctuated by sporadic riots and increased terrorism as class tensions rise. The poor will become disenfranchised and alienated from mainstream political and economic institutions, while the middle classes will grow more angry, more frustrated, and more politically mobilized. The affluent will continue to withdraw socially and spatially from the rest of society, and will seek to placate the middle classes' anger with quick fixes and demagogic excesses that do not change the underlying structure responsible for their problems.

This scenario is by no means inevitable, and I sincerely hope it will not come to pass. Yet we are headed in this direction unless self-conscious actions are taken to change course. A principal motivation for my pessimistic candor and perhaps overly brutal frankness is to galvanize colleagues, students, politicians, and reporters into action. Until now, neither the nature of the new ecological order nor its social implications have been fully realized; my purpose here is not to offer facile solutions to difficult problems, but to begin a process of serious thought, reflection, and debate on the new ecology of inequality, from which solutions ultimately may emerge. Until we begin to face up to the reality of rising inequality and its geographic expression, no solution will be possible.

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