**Gentrification: The New Colonialism in the Modern Era**

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**Abstract**

Within the last fifty years, gentrification has become a serious concern in numerous cities, particularly in North America. Gentrification occurs when college educated business professionals or the so-called "gentry class" locate (or relocate) to an urban community resulting in the displacement of low-income, often times long-time residents. Consequently, housing and living expenses increase tremendously impacting a variety of local people. Although these communities experience a number of modern changes (increased policing, improved city services and expanded commercial corridors to cater to the new residents), so many long-time residents are forced to relocate since rents and costs skyrocket to appeal to the gentrifying class.

Is gentrification the new 21st century colonialism? Developers, realtors, bankers, investors, planners, architects, engineers and politicians often have a hand in this redevelopment and displacement phenomenon and act as capitalists in the idealized neo-urban frontier. These actors frequently serve as the elite assuring that specific plans and policies are established for urban redevelopment and they rarely disclose their proposals to the consumers (the young urban professionals or yuppies) or long time residents, akin to colonialism. Thus the argument here is that these elitists operate exclusively between themselves, serving as venture capitalists, while the consumers (yuppies) are largely left unaware of their relocating implications on the local community, similar to the Atlantic New World and western frontiers in North America.

**Introduction**

Within the last fifty years, gentrification has become a serious concern in numerous cities, particularly in North America. While the noted British sociologist Ruth Glass coined the term to describe how the middle class "invaded" former working class sections of London in the 1960s, the process breeds exclusivity, marginalization and supposed revitalization for affluent urban newcomers.1 Gentrification occurs when business professionals or the so-called "gentry class" locate (or relocate) to an urban community resulting in the displacement of low-income residents. Consequently, housing and living expenses increase significantly thereby impacting a variety of long-term residents. Although gentrifying communities experience a number of modern changes (increased policing, improved city services and expanded commercial corridors), so many long-time residents are frequently forced to relocate. Is gentrification the new 21st century colonialism? Gentrification is a continuum of modern man's land and human exploitation. Similar to colonialism, gentrification not only usurps local and economic power to newer and often wealthier residents, there are also implied class and racial components attached to it as well. A number of individuals amass wealth and power through gentrification and they must be further analyzed since they profit from the process and serve as significant players in redeveloping cities, while scores of urban residents are displaced.

**Gentrification reinforces capitalism through economic demands (real estate) while at the same time displaces a number of urban inhabitants (local residents).2 The entire process is largely based on speculative real estate and a rental gap between neighbors when a cadre of elite operatives (developers, realtors, bankers, public officials) allow for renters (though oftentimes owners) to rent or purchase residential space at a premium cost in an effort to turn around...**

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2 Lees, Slater and Wyly, preface.
depilated or distressed urban neighborhoods.³ Some see this as a "new frontier" experience to revitalize overlooked communities.⁴ While gentrification can lead to positive economic renewal, it more often leads to problematic implications.⁵ Among these negative consequences includes the displacement of longtime and a significant number of low-income residents who are consequently priced out of their neighborhoods in exchange for new residents with high incomes willing to pay inflated rents or mortgages.⁶ How is this modern phenomenon similar to colonialism? There are interesting parallels since both gentrification and colonialism require an economically empowered few to oversee an operation to economically and politically displace one group for another, while achieving financial gain and political power. While colonialism is considered an antiquated term, it nonetheless suggests disempowering one group of people and empowering another, while at the same time an elite group operates the mechanisms for colonialism or in this case, gentrification, to flourish.

A Genealogy Of The Pre-Gentrification Era

In order to fully grasp the history and politics of gentrification, a brief overview is imperative for further investigation. Modern American cities experienced a rapid shift in population dynamics during the mid-twentieth century. Cities were once vibrant industrial, commercial and residential spaces. Employment, shopping and living were all key elements to these locales. In many instances, however, cities were not the most pristine places since the industrial revolution of the prior century led to environmental degradation and human health problems.⁷ In American cities especially, urban areas lost their luster with these negative consequences as well as migratory shifts during the "White flight" era when upwardly mobile middle class Whites (and some Blacks) moved to newly created suburbs.⁸

With the sudden surge of southern Black Americans moving to northern cities during the Great Migration for industrial jobs that many European immigrants once had (between 1940-1960 in particular), numerous businesses left for nearby suburbs.⁹ A number of towns lured industries with tax incentives, grants and services. These economic advantages between the corporate sector and local town officials reinforced significant partnerships. Most important, many employees resided in the suburbs over the quickly changing city.¹⁰ By the turbulent 1960s, riots broke out over so many racial, social and economic injustices¹¹ that the private sector was

³ Smith, chapter 5.
⁴ Smith, chapter 1.
almost non-existent in once bustling industrial areas, particularly in rust belt Midwest American cities like Detroit. In some cities, like Newark, the increasing Latino population added to the already growing Black migration, particularly by the early 1970s. Couple these demographic shifts with the popularity of the modern suburb, numerous businesses left for nearby towns since it seemed only fruitful for the corporate sector to leave cities where much of their workforce fled.

During this migratory period, class and racial lines were drawn by public officials, realtors, and bankers. Redlining, steering, community board requirements, neighborhood zoning and government classification methods became the accepted practices of this elite. While these measures might have legally lasted for several decades, it nonetheless allowed for total class shifts in cities and suburbs. These practices reinforced de facto segregation or "invisible segregation" based on residential patterns by creating predominately affluent White suburbs and specifically ethnically and racially zoned urban neighborhoods. Newark, New Jersey and its nearby suburbs were notorious for such practices. Thus, the once heterogeneous city became homogenized not just along racial, religious and ethnic lines, but also along class boundaries since swaths of urban neighborhoods housed much of America's poor populations. This period (about 1960-1980) essentially crystallized modern inner cities in America. With the relocation of manufacturing and private sector jobs, middle class White flight (and middle class Black flight) and the migratory surge of poorer Blacks and Latinos, cities became largely desolate, depressing and homogenous spaces for so many poor people of color.

While cities underwent tremendous transformations, their local governments experienced significant financial strains. In the 1980s, the federal government offered fewer mandates, grants and financial incentives for local governments. For instance, Philadelphia lost nearly 80 percent of its federal funding and yet the city relied on this money from the US government to operate their annual budget. Interestingly, Philadelphia experienced the first wave of gentrification only thirty years prior when Society Hill's redevelopment displaced thousands of poor Black residents for corporate employees to live near downtown. Beyond Philadelphia, additional American cities had few corporate and manufacturing businesses as well as middle and upper class residents. Once prospering industrial cities in the midwest, financial and commerce cities in the northeast lost much of their tax ratable industries as well as affluent inhabitants. Even worse, a number of urban governments hardly raised enough tax revenue for

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13 Kevin Mumford, Newark: A History of Race, Rights, and Riots in America (New York: New York University Press, 2007), 197. Often there were alliances between Blacks and Puerto Ricans for political power in city hall.
14 Jackson, chapter 10.
17 Jackson, chapters 10 and 11. These chapters address the Federal Housing Administration (FHA) policies and how neighborhoods in Newark, Essex and Hudson Counties in New Jersey were zoned to specific groups. See also map of Newark on page 212, which highlights suburban versus city new home mortgages for the Newark area.
22 Neil Smith, chapter 6.
their annual budgets to address community programs and city services that much of their struggling inner city constituents demanded.23 All the while, unemployment increased disproportionately in blighted communities and crime became the chief concern of both public officials and residents. Drugs, gangs and quality of life concerns were significant issues as well as economic and social disparities. How these public officials operated cities with dwindling budgets and urban problems became the tormenting quagmire in urban America during the last decades off the twentieth century.24

**Gentrification: The Panacea for Urban Malaise?**

By several accounts, an "urban malaise"25 appeared to doom city residents and public officials prior to gentrification. How could an American city rejuvenate itself and become reliant on local tax revenue again without federal government funding, county and state revenue sharing incentives? At the same time, how could city government officials address constituents' problems while attempting to remake their city's image? These were the pressing challenges affecting public officials as well as residents.26

Attracting new and affluent residents became the trend in late twentieth century urban America. A number of American city officials remade their urban locales through a specialized elite. Developers, realtors, bankers, investors, planners, architects, engineers and politicians all played a hand in this redevelopment and gentrification process. They were the elite or profiteers assuring that plans and policies were shaped specifically for urban redevelopment and these players rarely disclosed proposals to consumers (the young urban professionals) or long time residents. In essence, the profiteers operated exclusively between themselves and served as venture capitalists, while the consumers (the upwardly mobile urban professionals) were unaware of their implications on the communities they were displacing through gentrification.

Public officials, particularly in the 1980s and 1990s, attracted new residents even if they appeared as outsiders to local residents. "Yuppies" (young urban professionals working in corporate sector white collar jobs) were certainly en vogue during the latter part of the twentieth century.27 They were usually twenty to thirty years old, college educated and overwhelmingly White single men and women (some in Harlem were Black Yuppies or "Buppies"28 or Gay Yuppies, "Guppies" in Chelsea, West Village sections of New York City). Aesthetically, yuppies stood out in crowded blighted urban communities since they frequently wore pressed collared shirts, dress slacks or skirts and often fashioned sneakers only to change later to dress shoes at work. They idealized the spendthrift 1980s since they had commissioned salaries and bonuses. Moreover, yuppies possessed disposable incomes since they were single (or married

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24 Peter Dreier, John Mollenkopf and Todd Swanson, *Place Matters: Metropolitics for the Twenty-first Century*, 2nd ed. (Lawrence: University of Kansas Press, 2004), 47. See also Ross and Levine, chapter 1.
25 Silvio Lacetti, *New Jersey Profiles in Public Policy* (Palisades Park: Commonwealth Books, 1990), 132. According to Lacetti, Newark was a prototype of many American cities, where redevelopment was limited to specific neighborhoods and downtown Newark was transforming itself beyond urban blight.
28 Smith, chapter 7. He mentions that in Harlem while gentrification can be cast as a racial White versus Black, this neighborhood has seen more of an affluent Black class versus an underclass of Black long time residents vying for rental units. See also Freeman, chapter 1.
Dual-income, No Kids - DINKS) and had few long-term financial obligations. At the same time, they were increasingly transient and seen as carpetbaggers by a plethora of local residents. For crumbling cities along the east coast of the United States, yuppies became the cash cow for urban renewal. Hoboken, NJ for example, was once a thriving industrial New Jersey town across from midtown Manhattan and yet by the 1970s, unemployment was twice the national average (significantly higher for Puerto Ricans at 40 percent), crime increased and the city faced a fiscal crisis. With little to offer constituents financially, public officials pushed real estate as the chief moneymaker even though the housing market was substandard. And yuppies, unable to afford many communities in New York City, were lured to Hoboken by the late 1980s with newly constructed and refurbished dwellings, while at the same time they were harshly welcomed by local residents with persistent social problems.

Following cities like Hoboken, a number of American urban politicians recognized the potential of attracting yuppies as well. Since many of these yuppies were mid-level managers or part of the new bourgeois, they rarely qualified to live in longstanding wealthy neighborhoods. Finding influential ways to attract yuppies to consider nearby communities became a common practice by realtors, real estate brokers and developers. They frequently showcased residential spaces that had "potential" for future development. All the while, public officials recognized the financial possibilities for their cities if developers and retailers were going to steer yuppies' toward specific areas, akin to Americans migrating to the west. "As in the nineteenth-century West, the construction of the new urban frontier of the fine de siecle is a political geographical strategy of economic reconquest," argues Neil Smith. In other words, yuppies were the focal point of so many public officials because these young professionals attracted new residential and commercial potential. The possibilities of collecting property taxes based on new revenue streams appeared promising to a number of American city leaders. Besides, they were hungry for an urban turnaround and wanted visible victories where once destitute neighborhoods could become viable communities.

Yet the actual process of attracting yuppies to new areas required more than realtors' steering and politicians waiting at the tax coffers. Financial capital from residential, commercial investors and developers were the linchpin actors in urban gentrification. While realtors and

29 Smith, chapter 2. See also Barry and Derelvany, xxiii.
30 Barry and Derevlany, xx. "Urban decay and social unrest notwithstanding, Hoboken had one remaining virtue intact -- it's proximity to New York City. Industry may have died, but Hoboken's newest business -- real estate -- was about to emerge. The city would never be the same again...Hoboken seemed to have it all -- transportation that made it more accessible to midtown Manhattan than most parts of New York City, cheap rents, good food, small-town charm. Why, it even looked like Manhattan, with its rows of 19th century brownstones."
31 Barry and Derevlany, xviii. "According to city records, some 49 percent of Hoboken's buildings were substandard in 1970. Nearly half lacked complete plumbing facilities, and 70 percent had no central heating. Hoboken's housing situation was ranked as the worst in the northeast and fourth worst in the United States among comparably-sized cities." And yet, according to the authors, "property speculation and development propelled real estate prices through the roof. Hoboken contained 41 condominiums in 1981. By the end of 1986, one fifth, or nearly 2000 units of the private rental stock of the city, had been converted to condos. Most cost between $100,000 and $200,000. Only a few years earlier, entire brownstones sold for $40,000 or $50,000," page xxi.
32 Barry and Derevlany, xviii. "At this time, Hoboken's unemployment rate was twice the national average. It had the highest per capita welfare rate, the lowest median educational achievement levels, and the lowest incomes in the state."
33 Smith, xvi and xvii. Although Smith goes farther and argues that this was as a result of Regan era politics and more specifically globalization.
34 Smith, xvii.
35 Freeman, chapter 1.
brokers were in the trenches showing yuppies potential spaces, and public officials drafted tax and grant proposals for residential and commercial developers, the developers were quintessential players for gentrification to financially thrive since they provided the land speculation and investment. Therefore, these players frequently interacted with one another to facilitate gentrification in specific urban neighborhoods -- in an almost C. Wright Mills's elite model fashion. Only the gentrifying model is different than the military complex, corporate and political elite rubric. Instead gentrification is financially based on an elite few (the gentrifying profiteers) prospering from real estate and supposed community development, as highlighted in figure 1.

**FIGURE 1: Gentrification Profiteer Paradigm** (by sectors)

<table>
<thead>
<tr>
<th>Government</th>
<th>Real Estate</th>
<th>Financial</th>
<th>Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Officials</td>
<td>Realtors/Brokers</td>
<td>Bankers/Lenders</td>
<td>Developers</td>
</tr>
</tbody>
</table>

Frequently there were moments when these profiteers exchanged ideas or reinforced an urban oasis vision for a city to redevelop around the yuppie. Financially, bankers provided the monetary support while realtors and brokers opened doors to yuppies showcasing desirable properties. Like any other capitalistic entity, money was made and exchanged between all elite actors. Yet it is largely the politician spearheading the public policies to attract the developers to build or rebuild urban spaces for yuppie clients. In essence, public officials are the chief architects of gentrification. From tax abatements to tax credits to grants and other public sector proposals, there were a variety of government initiatives that assist profiteers in countless ways.

While many policy incentives spurred development in once blighted communities, developers and investors grew financially and became politically depended on such sources. For example, in Jersey City, NJ downtown development has surged urban renewal in the last twenty years and yet selected developers and investors receive much of the local government tax breaks and Payment in Lieu of Taxes (PILOTS) so the taxes are paid up front at a reduced rate for a number of years (usually 15 to 30 years). The Journal Square area west of downtown has become a recent area for redevelopment as well and PILOTS are being offered by public officials to developers. Yet much of this PILOT money hardly addresses infrastructure adjustments for new development and little, if any, of the taxes assist Jersey City's public school financing. But for the developer, tax abatements save not only upfront costs for residential construction, but also entices yuppies to rent or purchase a space at a perceived lessened cost.

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37 Neil Smith, chapter 3.
39 Charles Bagli, "Goldman Sachs Gets Deal for 2nd Jersey City Tower," *New York Times*, July 19, 2007. The corporate firm already received tax breaks for the office tower and plans to have additional tax packages for residential space to house their employees downtown.
In the process of this financial gentrification two-step, the moral consideration of protecting the longtime residents' interest is secondary as the colonization phase transcends onto their neighborhood. Rapid displacement of low-income renters occurs in these speculative urban spaces in exchange for yuppies' residential and commercial space. Were the displaced residents' interests an afterthought to the gentrification elite? Similar to colonization, these interests were hardly a consideration by so many gentrifying profiteers. Instead, financial investment in the yuppe-gentrifying business is the chief goal of the elite. To the profiteers, the yuppies and longtime residents were not even in their political or economic spheres of influence. They were for the most part the pawns in the process, similar to colonization, to financially empower the gentrifying elite (apart from other gentrifying groups - see figure 2). More specifically, yuppies were clients and the longtime residents were an afterthought for many profiteers -- similar to colonizers.

**Figure 2: Gentrifying Parties**

<table>
<thead>
<tr>
<th>Profiteers</th>
<th>(elite)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlers or Yuppies</td>
<td>(consumers)</td>
</tr>
<tr>
<td>Longtime Residents</td>
<td>(colonized)</td>
</tr>
</tbody>
</table>

**The Colonized Principle**

Gentrification is a process of displacement when longtime residents or residents unable to afford to live in a specific area must relocate because of the gentrifying profiteers' financial focus of the yuppe class. Naturally then, these residents are largely seen as victims of the gentrification process. Similar to a native population being colonized, these once localized residents are suddenly priced out in a "rent gap" process when their rents increase, new retail businesses serve the yuppe clientele and changes in land use development takes place to close the gap or increase gentrification in that area. Some argue this is the natural occurrence of capitalism; others explain that gentrification refurbishes once blighted neighborhoods; while some pit gentrification as an ugly product of greed. Yet these perspectives miss the point. Gentrification is a byproduct of mankind's continuing interest in advancing the notion that one group is more superior to another and worthy of capitalistic consumption with little regard to social consciousness. It is elitism of the utmost and exclusionary politics to the core. This has

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40 Neil Smith, chapter 4. He also calls it "uneven development" since there are those in poverty living near the new gentry class. See also Lees, Slater and Wyly, 61.
41 Lees, Slater and Wyly, 61. "The rent gap explains gentrification as the product of investment and disinvestment in the urban land market...As the gap between potential and capitalized ground rent widens, it provides an ever more powerful incentive for land use change: residential gentrification is one way of closing the rent gap."
been a constant theme of mankind to take or deplete a space for personal gain. In other words, it's very similar to the "great advantage" of European powers over Native Americans and westward expansion; gentrification is a continued obsession of modern era settlement in supposed new territories, namely the untamed city. This is not to say that gentrification is wrong - or for that matter right - but instead gentrification is a part of man's continual obsession with conquering, disempowering, politicizing and capitalizing over other individuals for their own gain.

While modern man might argue that today's civilizations no longer have colonization in the antiquated sense, gentrification is the modern version of modern man's obsession with land acquisition. For centuries, man's conquest for land and political control has been an almost innate reaction to achieving power. Property ownership has been a common occurrence from the English property paradigm to the American Dream of landholding. After all, property ownership is considered civilized; a natural right; and offers full citizenship since taxes are paid to support the polity, vis-à-vis Locke's "deceptive" model. Throughout the western world, property ownership is regarded as a civil reality and some European powers might have performed a variety of measures for land ownership for the government, religious or economic interests, particularly in the Atlantic New World. Yet, when one examines how western man achieved property ownership through usurping lands from Natives in America to colonization in the Caribbean, it is a sordid history. Ultimately then, it is in the interest of property ownership as a principle and little consideration is given to those who possessed the land prior -- let alone how the land was acquired by the colonizer or the gentry.

Similar to the colonization processes of years past, gentrification provides eerie similarities of mankind perpetually acquiring new possessions with little regard to those who resided in that once occupied space. Ultimately then, there is a continuous pattern here to consider since man has displaced others for centuries in the west (see figure 3) and yet the difference in this instance with gentrification is that some see the phenomenon as a natural occurrence in the capitalistic sense while others articulate that socialistic ideals can halt the greediness attached to gentrification. These perspectives are merely allowing mankind to further colonization from continuing from one generation to another and advancing the notion that land acquisition is a perpetual passion of modern civilizations. It is not a matter of labeling what gentrification is, but instead what gentrification represents -- the inevitability of mankind progressing the sacred institution of property ownership and acquisition. The process of land

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43 Clive Ponting, A Green History of the World: The Environment and the Collapse of Great Civilizations (New York: Penguin Books, 1991), 155. He goes on to detail that theories like noted economist Adam Smith's argument in Wealth of Nations and Karl Marx's idealisms espouse distribution of sources and how the earth, including land possession, are "treated like capital - a set of assets to be turned around into a source of profit."

44 Ponting, chapter 8. To the point of man finding ways to justify their modern development and political thought for their advantage.

45 Patricia Seed, Ceremonies of Possession in Europe's Conquest of the New World, 1492-1640 (Cambridge, UK: Cambridge University Press, 1995), chapter 1. The English model of land ownership was certainly a factor in discovering if not modernizing the New World.


47 Seed, introduction. The British model of private property; the Spanish model of reading religious edicts to Native Americans before conquering; the French and Dutch trading interests -- were all paradigms suggesting the economic or sacred responsibility of acquiring land possession.

48 Seed, 179. She calls it "colonial authority" -- the ability to take over lands in the crown's interest.
holding is largely regarded as an inalienable right that when colonization or gentrification occurs, few challenge the process and yet it continues for centuries. Thus, gentrification is largely seen as a natural part of mankind advancing capitalistic and modern sensibilities.50

Yet, is man advancing gentrification and allowing for urban colonization? How much have we truly "advanced" when displacement of low-income families is the outcome of gentrification? Sense few (particularly the profiteers and yuppies) consider the implications of gentrification, it is as though the entire process is not only a natural occurrence in modern society, it has become an expected outcome since western civilizations advance the importance of land ownership and signifying the boundaries of private property.51 This is not to say that land ownership is right or wrong, but instead to consider that land possession through colonization or gentrification is problematic because it implies that the property was acquired with little consideration of prior owners, renters or stakeholders of the land. It is a continuum of western mankind's interest in landholding (see figure 3). Most important, marginalized individuals are considered an afterthought since they are sacrificed to cost of living adjustments and ultimately total displacement "in the name of market freedom and personal choice or in more direct ways through vengeful policies which have attacked the land tenure and human rights of those least able to articulate resistance to the process."52

**Figure 3: Prototypical Periods of Western Colonization of the West**
(vis-à-vis land discovery)

<table>
<thead>
<tr>
<th>16th/17th Centuries</th>
<th>18th/19th Centuries</th>
<th>20th/21st Centuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Atlantic New World&quot;</td>
<td>&quot;American Frontier&quot;</td>
<td>&quot;Urban Frontier&quot;</td>
</tr>
<tr>
<td>-Americas</td>
<td>-Western states/territories</td>
<td>-Inner cities</td>
</tr>
</tbody>
</table>

**Conclusion**

Recognizing that gentrification is an ongoing profit-making paradigm based on property ownership, residential removal and profit, it must be further understood as part of a continuous desire to promote colonization in urban spaces. Certainly the US is not the only place where gentrification is occurring since other cities around the world have or are continuing to experience this phenomenon. While London has been regarded as the "first" city to undergo gentrification, United States cities hold a different set of unique experiences since "local specificities overwhelm any possible generalizations."53 But recognizing that gentrification is a continued example of man's modern quest for colonization is just as important, if not more essential than understanding it is not purely along capitalistic and urban renewal gain for the corporate and political elite.

50 Atkinson and Bridge, 16-17.
51 Seed, 189.
52 Atkinson and Bridge, 16.
53 Neil Smith, 165.
Understanding the outcomes of gentrification a generation later, it is critical to recognize the implications of this societal phenomenon. So many long time residents, particularly renters are displaced in large part because of the gentrifying elite's profit and politics as well as the colonized principle advancing the twenty-first century idealisms of economic growth and property ownership. While there are a myriad of local examples with cities attempting to curtail gentrification, one must truly recognize the underlining basis of exploitation and colonization in the process of urban gentrification. Much of it is attached to mankind's obsession with land ownership and suggestively discovering property, while dislocating longtime residents. While the elite or profiteers are advancing such models in cities across the world, the consumers or yuppies are largely left unaware of their consumerism. Gentrification is in essence the new paradigm of colonizing the urban core in the twenty-first century.

References


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