Public Policy and Residential Segregation: A Critique of Iris Young’s Strategy of Differentiated Solidarity

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Introduction
The recently suspended Democratic presidential campaign of US Senator John Edwards of North Carolina has refocused the public’s attention on the issue of poverty and public policies to aid urban communities. Indeed, not since President Lyndon Johnson’s War on Poverty has a major political figure emphasized the plight of low-income citizens to such a degree. In many ways, Edwards’s policy platform was more ambitious than that of President Johnson. With a goal of eradicating poverty altogether by 2036, the cornerstone of his plan included universal health care, a tripling of the Earned Income Tax Credit, the creation of “work bonds” to promote private savings, and providing housing vouchers to families so that they can afford apartments outside blighted neighborhoods.

Perhaps the defining principle of Edwards’s proposal was that it viewed disadvantage holistically, and not just as a byproduct of economic depravity. Edwards’s decision to promote housing mobility was an interesting case in point because such policy proposals are frequently omitted from the debate on how to ameliorate urban poverty. Academic researchers have provided substantial evidence that residing in neighborhoods that are economically, socially, and physically detached from more advantaged urban areas—referred to as residential segregation—is associated with a number of deleterious outcomes, including the geographic concentration of poverty, high unemployment and crime rates, and low levels of civic and political participation. However, housing mobility proposals are rarely part of a broader anti-poverty agenda.

That residential segregation brushes up against so many other social ills leads many observers to view it as the linchpin of urban disadvantage. Herein lies the promise of public policies that aim to increase residential mobility and economic freedom in the housing market. If low-income families are given incentives to leave neighborhoods with deep pockets of poverty and social decay, the thinking goes, they will choose areas with greater employment opportunities and mainstream values. You can take the family out of poverty, and you can take the poverty out of the family.

Given that the causes and consequences of residential segregation share a constellation of complex economic, social, and political roots, it is surprising that academic research on the topic has been dominated by those using empirical methods. Such studies are not able to advance an understanding of how residential segregation impacts outcomes associated with political empowerment and inclusion, equality in the distribution of political resources, and the ability to participate in the policymaking process.

A noteworthy exception to previous research appears in philosopher Iris Young’s Inclusion and Democracy, in which she describes the processes through which residential location causes or exacerbates forms of economic and political exclusion. Her writing focuses on the implications of racially-based residential segregation in US cities, and she cites an influential book, American Apartheid by Douglas Massey and Nancy Denton, as evidence of its pervasiveness throughout the twentieth century. Repudiating the notion that racial clustering itself is wrong, Young instead argues that it is the “processes of segregation from [economic and political] privileges and benefits” which are problematic. The author cites a

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number of “wrongs” associated with racially-based residential segregation and proposes an idea called “differentiated solidarity” to deal with them.

Given the broad set of public and private actors who, in Young’s view, have promoted discrimination toward segregation’s end, it is perhaps surprising that her normative prescriptions are minimally authoritative. Instead of calling on the federal government to use a big-stick approach to achieve residential integration, she advocates an idea called differentiated solidarity. This ideal “affirms a freedom to cluster, both in urban space and in religious, cultural, and affinity group associations…but should be balanced with a commitment to non-discrimination.” In other words, given the economic, social, and political interrelatedness of individuals with diverse loyalties and interests within a metropolitan area, there should be an obligation to “promote justice among the strangers who dwell together in a region.” But, at the same time, there can be a certain degree of spatial separation among individuals who actively look for each other in order to celebrate commonalities.

When it is time to translate the notion of differentiated solidarity into public policy, however, Young returns to more imposing methods. She argues that while the preferences of housing consumers should be respected as much as possible, the same is not true for the institutions and owners whose actions contribute to housing opportunities or the conditions of neighborhoods. Most existing patterns...of residential racial segregation cannot be reversed...without monitoring and regulating the activities of landlords, financial institutions, developers, and other private agents whose actions most affect the social meaning of urban space.”

There are two fundamental flaws with this policy prescription. The first deals with the way markets operate. Young advocates using the big-stick policy approach on the supply-side of the market, while allowing the demand-side to act according to rational, utility-maximizing principles. As the last several decades have borne out, white families maximize utility in the housing market by fleeing the central city and establishing largely homogenous suburban and exurban communities. As long as this demand persists, banks, contractors, and developers will respond by making suburban housing available. In addition, jobs and services will continue to follow the suburban dwellers. Therefore, a policy based on differentiated solidarity, which provides individuals freedom of...
movement in space, will likely and paradoxically exacerbate Young’s “wrongs” of segregation.

The second flaw stems from Young’s idiosyncratic translation of the causes of residential segregation into practical methods for ameliorating it. Even if we accept Young’s argument that the primary driver behind segregation is the “discriminatory actions of private market actors,” it seems reasonable that public policy should take authoritative steps on both sides of the market to reverse this discriminatory behavior. However, her notion of differentiated solidarity affords an opportunity for citizens—and not institutions—to recognize their interconnectedness in space by supporting an informal commitment to social justice. In other words, Young draws a stark line between housing consumers, who in her view should be able to pursue housing according to preferences, and the institutions that control the means of obtaining housing. It is on the latter group, according to Young, that policy should focus, through a system of monitoring and regulation.

Causes of Racially-based Residential Segregation

Additional explanations exist regarding the causes of residential segregation, informed by both empirical and ethnographic scholarly research. This should elucidate the important drivers behind racial clustering, and as a result, should focus policy proposals more squarely on the problem.

It is worth noting that racial segregation increases the susceptibility of neighborhoods to other deleterious social and economic conditions. Scholars have noted a rise in racial residential segregation over the past few decades, linking it to a simultaneous increase in the concentration of poverty, the odds of dropping out of high school and bearing children out of wedlock, male unemployment, single motherhood, lower IQ scores, and lower lifetime earnings. The geographic concentration of disadvantage through residential segregation also has implications for political and civic participation. For example, one study found that as neighborhoods become poorer and racially homogenous, individuals are less likely to have a connection to political and neighborhood institutions, less likely to feel politically efficacious, and more distrustful of politicians.

The first line of research on the causes of poverty-based residential segregation is advanced by Harvard professor of public policy and urban policy William J. Wilson, in the book *The Truly Disadvantaged*. Drawing on data from Chicago, Wilson argues that the intense clustering of racial disadvantage is due to structural transformations underway in central cities, specifically a movement from manufacturing to low-wage services economies and the migration of high-paying blacks to suburban areas. As the economic and demographic mix of central cities change, there is concomitant increase in the spatial clustering of poor minorities who do not have access to jobs or other institutions conducive to integration in mainstream society. The main problem, according to Wilson, is that when non-poor black families leave inner city neighborhoods for the suburbs, they take with them the services and jobs that competed for their attention.

The second explanation for residential segregation, advanced by Harvard professor of urban economics John Kain, is the spatial mismatch hypothesis (SMH). This theory recognizes not only the spatial clustering and simultaneous growth of disadvantage among inner city minorities, but also the rapid suburbanization of new employment opportunities. Indeed, there is consistent evidence that employment opportunities, especially low-wage service sector jobs, are following the ‘white flight’ to the suburbs. The growing spatial division between the location of low-skilled employment opportunities and the labor supply who might qualify for those jobs has led scholars to argue that spatial location itself has an independent effect on individuals’ social and economic outcomes. Therefore, according to the SMH, blacks’ employment problems are due in part to the intersection of job suburbanization (where the supply of low-wage jobs are located) and racial segregation in inner cities (where low-wage labor supply is located). These spatial patterns of employment and residence result in an oversupply of low-skilled workers relative to the number of jobs for which they are qualified in the inner city.

Conservative policy intellectuals countered the liberal structural arguments by focusing on another possible cause of concentrated ghetto poverty and segregation: the US welfare system. According to an influential book, *Losing Ground* by Charles Murray, the creation of dense pockets of urban underclass communities owes to a liberal welfare state that creates work and marriage disincentives and rewards bearing children out-of-wedlock. Specifically, Murray’s “law of unintended consequences” states that antipoverty programs giving either cash or in-kind benefits inexorably strengthen the incentive to maintain the condition that the program sought to ameliorate in the first place. Moreover, conservative scholar Lawrence Mead
argued in his book, *Beyond Entitlement*, that it is not the generosity but the permissiveness of the welfare system that creates segregated neighborhoods of underclass minorities. By not requiring anything from the welfare dependent, cash assistance weakens the sense of independence and commitment to mainstream values, thereby perpetuating a culture of disadvantage. Mead argues that the federal government should make welfare receipt and other benefits contingent on acts of “good citizenship” by requiring work and placing time limits on benefit receipt.

**Policy Implications**

The preceding discussion suggests there are several mechanisms that produce residential segregation. Support for these competing hypotheses does not equate to a repudiation of Iris Young’s thesis that segregation is the product of housing discrimination by private individuals. Instead, one can view these alternative arguments as deriving from structural changes in the economy and demography of urban areas that were gaining momentum during a period when discrimination by private actors was at its height. There were innumerable private actions taken in order to maintain the color line, and Young is right to point this out. For example, a common neighborhood-level solution to the threat of black residential expansion was the formation of “improvement associations.” These groups used a number of tools to restrict blacks’ residential choices, including lobbying for zoning restrictions, boycotting real estate firms and stores that sold homes and goods to blacks, and offering cash bonuses to black residents who agreed to leave the neighborhood. For-profit realtors also contributed to the spatial concentration of minorities through the practice of “blockbusting.” Agents would identify an urban area that looked promising for racial turnover—neighborhoods adjacent to already segregated areas with older housing units, poorer families, and near undesirable railroad tracks or major thoroughfares. White fear of black families would be stirred by the realtors, who promised white residents a generous sum of money to sell their homes. Meanwhile, the same agents advertised in predominate black neighborhoods, pointing out the availability of good housing in a newly opened neighborhood. Given the intensity of white fear and prejudice (as well as the intense demand for black housing), the entry of a small number of black residents would quickly set off another round of neighborhood turnover, thereby increasing the size of segregated black areas.

The first major policy response to eradicate residential segregation and housing discrimination was the 1968 Fair Housing Act (FHA). This legislation prohibited the refusal to rent or sell a home to any person because of race; it prohibited discrimination in conditions of any rental or sale; it outlawed discrimination in real estate advertising; it banned agents from making false statements about a home’s availability in order to deny it to a black family; and it contained specific language against blockbusting and red-lining. The primary criticism of the FHA was not its coverage, but rather its limited enforcement powers. Title VII of the law, for example, authorized the Department of Housing and Urban Development (HUD) to investigate complaints made only by “aggrieved persons,” and it had just 30 days to pursue or dismiss such allegations. If HUD did in fact find evidence of discrimination, it was compelled to engage only in “conference, conciliation, and persuasion” to resolve the problem.

Legislative attempts to desegregate urban areas did not end with the 1968 FHA. Throughout the 1970s, the federal government incrementally chipped away at the institutional barriers to fully accessible housing for minority families. In 1974, for example, Congress passed the Equal Credit Opportunity Act which explicitly barred discrimination in home lending and required banks to compile data on the racial composition of clients it accepted and rejected for mortgage loans. The Home Mortgage Disclosure Act of 1975 required banks to report which neighborhoods received mortgage and home improvement loans. The law also intensified the pace of prosecuting red-lining cases under the FHA. Finally, Congress in 1977 passed the Community Reinvestment Act, which required banks to demonstrate that they were in fact providing credit to low-income areas that had been previously denied capital projects.

These policy prescriptions, which involve the authority of the federal government to dismantle residential segregation sponsored by private institutions, accords with Young’s diagnosis of the problem. But these policies have done little to ameliorate the other causes of racially-based residential segregation—the structural changes in urban economies, suburbanization of service-sector jobs, and the spatial mismatch between the location of low-wage labor supply and low-wage employment. A different set of policies is needed to address these constraints on residential choice.

One such policy has been the shift away from high-rise public housing developments, which many argue
foster segregation, toward providing low-income families with vouchers to purchase housing in the private market. Between 1977 and 1997, the number of families receiving housing vouchers increased from 162,000 to 1.4 million. In 1996, Congress passed Section 202 of the Omnibus Consolidated Rescissions and Appropriations Act, requiring housing authorities to conduct a quality assessment of their public housing stock. If the cost of rehabilitation for a particular unit exceeded the cost of providing that family with a rent subsidy over a 20-year period, then the housing authority must remove the unit from its stock.

In practice, policies that increase residential choice and mobility influence families in several ways. First, voucher programs provide families economic freedom of movement. Relocation to more affluent neighborhoods has the ancillary effect of increasing the average quality of schools children can attend. Third, regardless of where a family might relocate, vouchers allow families to move out of public housing, which alone effects employment, earnings, or educational outcomes. On the other hand, it is conceivable that moving to a new neighborhood would fuel familial disruption. A new neighborhood environment, coupled with the loss of social capital established in public housing and the transition to a new job or school, may lead to negative short-run outcomes.

Despite these dramatic policy changes, relatively little is known about the impact of increasing residential choice through housing vouchers. Some of the earliest evidence on housing vouchers comes from the Experimental Housing Allowance Program (EHAP) from the 1970s. A review of studies on this experiment reveals that housing vouchers neither increased mobility nor affected racial/economic segregation. This conclusion appears to be supported by other evidence, which finds that minority voucher recipients tend to relocate close to their original neighborhood. Another researcher, P. Fischer, found that nearly 80 percent of relocated families in Chicago moved to census tracts that were over 90 percent black, while 90 percent moved to tracts with median incomes under $15,000.

A recent attempt by the federal government to influence and analyze the effects of housing mobility is through the Moving to Opportunity (MTO) program. Unlike previous designs, the MTO program was a randomized experiment that assigned program participants to one of three groups: (1) an experimental group that received housing subsidies and search assistance for private-market housing in affluent neighborhoods, (2) a comparison group that received Section 8 housing vouchers and no search help, and (3) a control group that received no special assistance. Results from the MTO experiment indicate substantial benefits of housing mobility, especially for children. Participation in the experimental group lead to greater relocation in non-poor neighborhoods, improved mental and physical health, increased satisfaction with the neighborhood and schools, decreased behavioral problems among children (including juvenile arrests), and increased math and reading test scores.

A final policy approach to decrease residential segregation involves increasing access to public transportation. For inner-city residents who use public transportation to work in suburban areas, accessibility represents real costs in terms of travel time and other expenditures. Therefore, residents in segregated communities with less spatial accessibility to jobs and transportation face higher work-related costs and thus greater constraints on employment. Furthermore, commuting times by public modes are considerably longer than by private modes, suggesting that wages net of travel time are significantly reduced if workers in segregated urban areas must travel to jobs in suburbs. Such costs have been quantified by transportation experts, who define as “accessible” those distances less than a quarter mile from a public transit stop. Using this definition, a study of four metropolitan areas found that 65 to 70 percent of all low-skilled jobs are located in white suburbs, and that nearly half of these jobs are inaccessible. On the other hand, just one-quarter of low-skilled jobs are located in the central city, with 86 percent accessible by public transportation.

These findings suggest that policy interventions aimed at making low-skilled jobs physically accessible to central city residents are likely to have a positive effect on employment and earnings. Two general approaches have been cited to increase job accessibility in segregated neighborhoods. The first is to increase access to suburban housing. However, housing mobility programs, such as MTO, are costly and limited in scale. The second approach involves subsidizing commutes by providing van pools to suburbs or improving public transportation’s connectivity between the central city and suburbs. A major drawback of this approach is that it does not attempt induce relocation. An example of this policy is HUD’s Bridges to Work initiative, which conducts job placements and transportation assistance to suburban jobs. While these programs are less costly per participant and less politically controversial than voucher programs, they do not address fully the deleterious effects of living in segregated areas with concentrated poverty.

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Conclusion
I began this article by broadening the scope of the causes of residential segregation beyond Young’s “private actors” argument. While Young correctly points out that private citizens are actively engaged in maintaining segregation, I argue that the relative importance of these actors declined in the past several decades, in part due to the big-stick policy approach implemented by the federal government. After the flurry of legislative activity in the 1960s and 1970s, the nature of racially-based residential segregation changed to more subtle mechanisms, specifically the out-migration to homogenous suburbs and the attending suburbanization of low-skilled service jobs.

To counter these changing causes of residential segregation, the federal government refocused its policy approach. One such policy is marked by a shift away from high-rise public housing developments and toward providing low-income families with vouchers to purchase housing in the private market. By increasing choice and purchasing power, vouchers allow families to relocate to more affluent neighborhoods, closer to employment centers or nearby public transportation hubs. Another set of policies attempts to increase suburban job accessibility by either adding to the existing public transportation infrastructure or creating new methods for transporting low-income workers to jobs.

A serious policy response to residential segregation must focus on the full constellation of factors perpetuating segregation, and must account for the interrelatedness among the causes. Young’s notion of differentiated solidarity advocates neither: it commits only supply-side actors to a rigorous system of regulation and punishment, while leaving demand-side actors to act according to utility-maximizing principles. Moreover, Young’s policy recommendation does not create incentives for low-income families to leave segregated neighborhoods for affluent areas with greater employment opportunities. Differentiated solidarity can only succeed if the same freedom of movement typically taken for granted by high-income families is extended to low-income families. Housing vouchers and other mobility programs of the sort that Senator Edwards proposed is a good start toward that ideal.


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