




Urban Revival for Inclusive Cities: The Cases of Detroit and Bilbao

Legacy cities of the Transatlantic region experienced prosperity and growth during the industrial era in North America and Europe. Globalization and technological advancement have compelled these urban areas once built on heavy manufacturing industries to reform and revitalize their economies.

What will the 21st century bring for workers and economies in Transatlantic legacy cities?

Key themes



01 Economic transformations

What sort of economic transformations are legacy cities witnessing today?



02 Labor market impacts

How is the landscape of labor market opportunities shifting in legacy cities?



03 Job quality and equity

What do economic and labor market trends mean for workers' welfare?

**Let's focus on the case of two legacy cities:
Detroit and Bilbao.**

Detroit



Bilbao





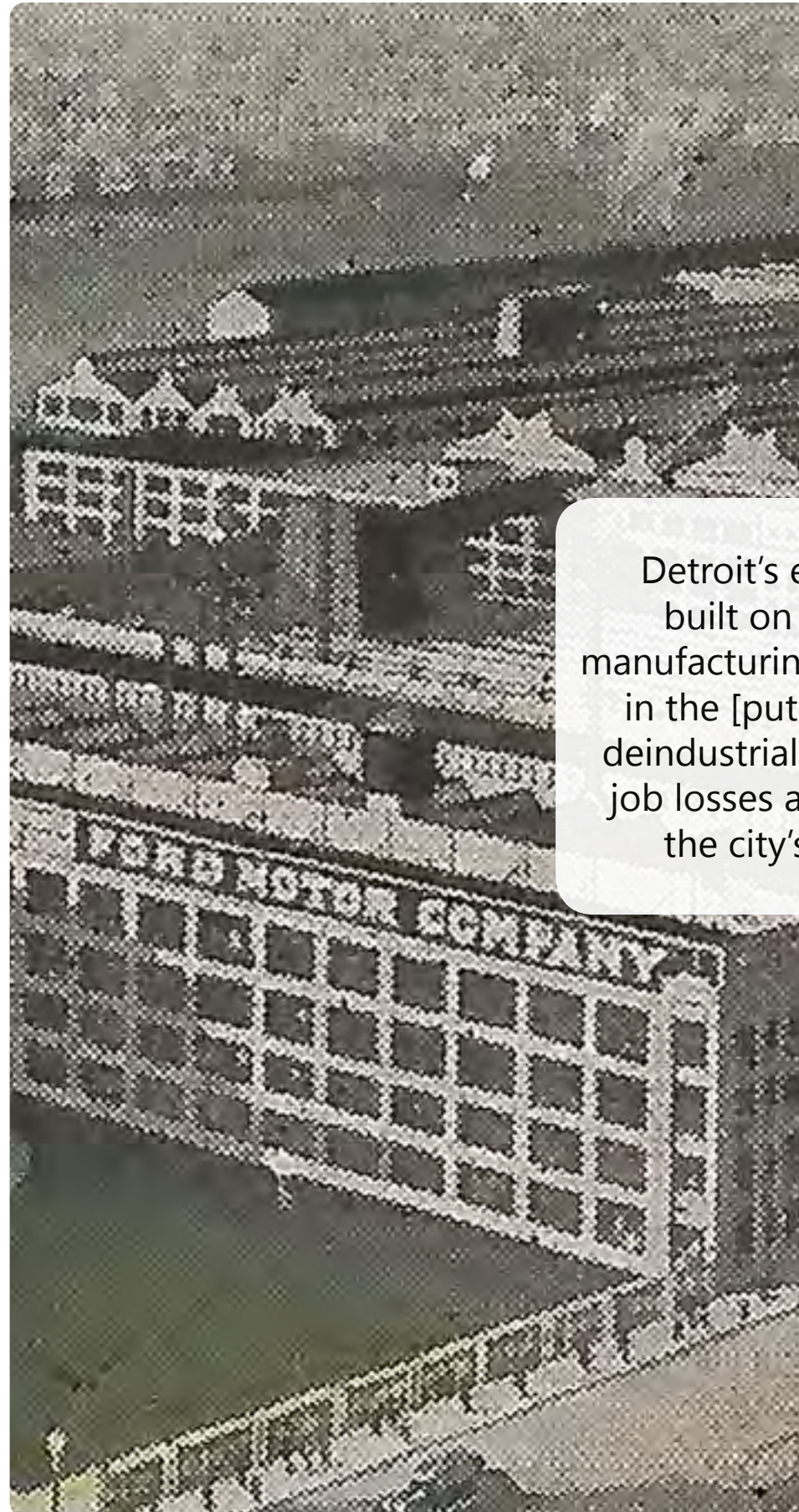
The story of Detroit

The story of Detroit



2009

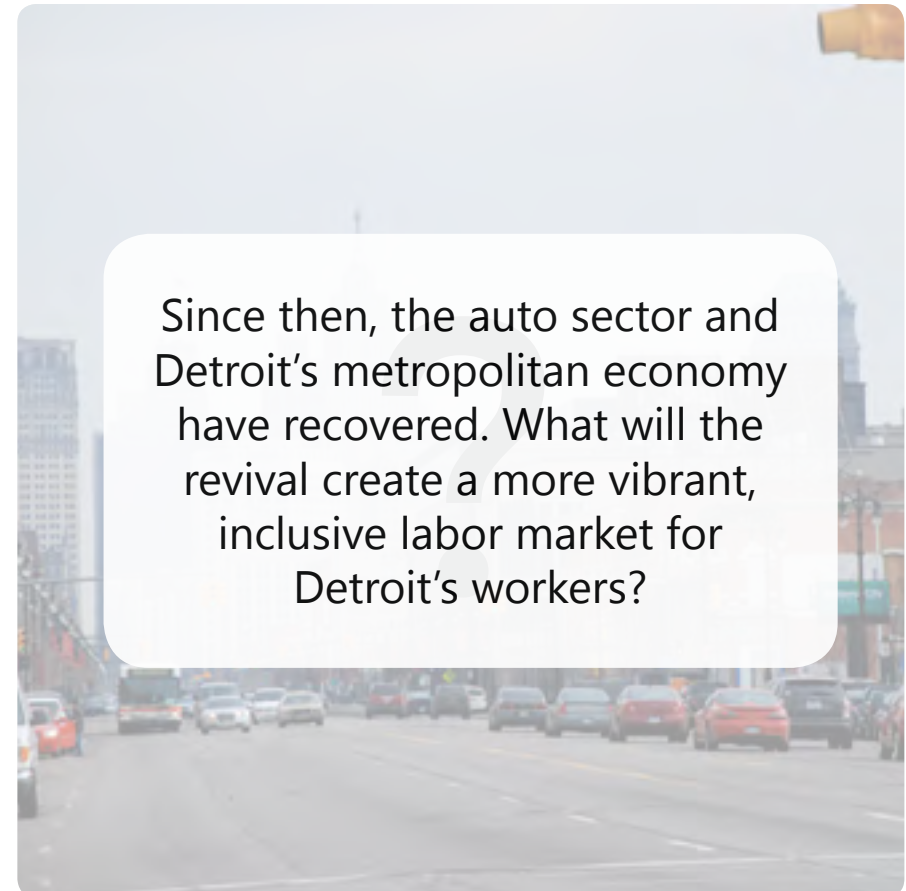
AUTO INDUSTRY BAILOUT



Detroit's economy was built on automobile manufacturing, but beginning in the [put decade here], deindustrialization brought job losses and a decline in the city's prosperity.

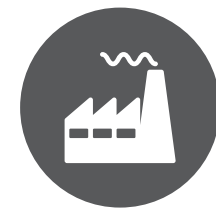


Crisis in the auto sector peaked in 2009, following the Great Recession, and the U.S. government responded with a major bailout of auto companies.



Since then, the auto sector and Detroit's metropolitan economy have recovered. What will the revival create a more vibrant, inclusive labor market for Detroit's workers?

Key sectors of interest



Manufacturing



Construction



Professional and
Technical Services



Retail Trade



Food and
Accommodation
Services



Real Estate



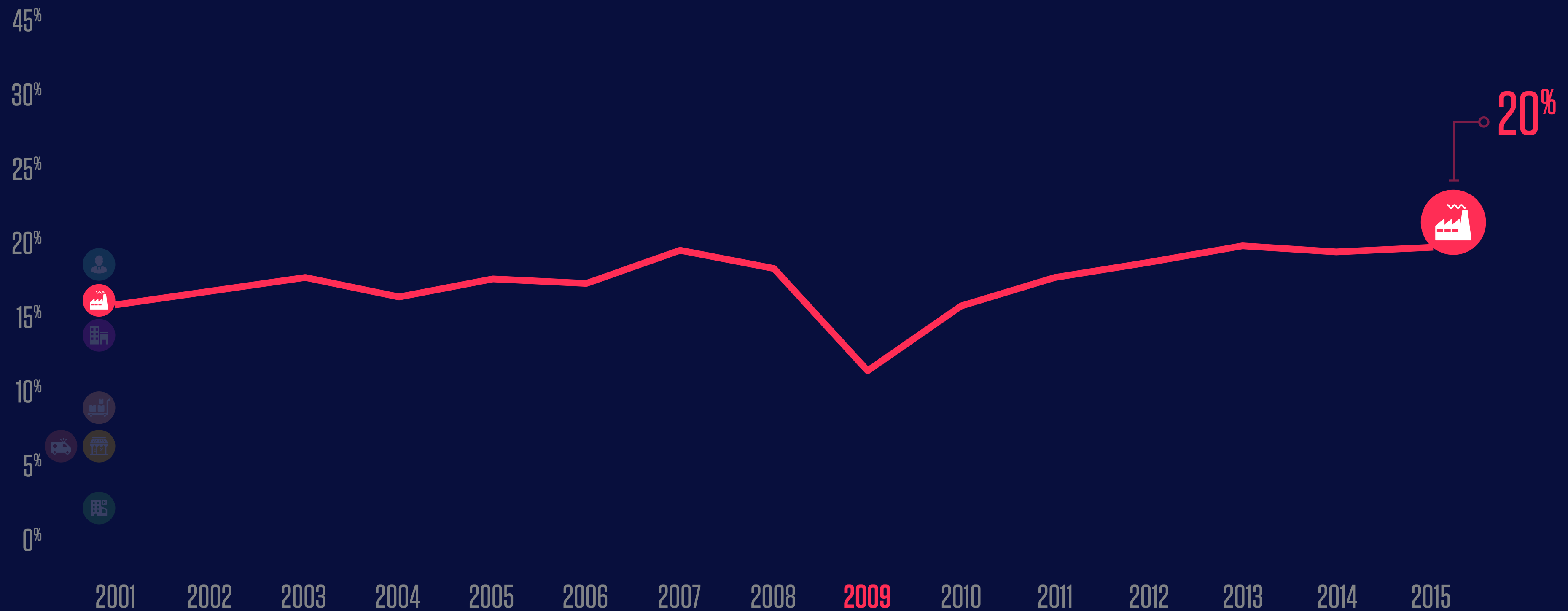
Healthcare and
Social Assistance



Wholesale Trade

Has Detroit diversified its economy?

Share of value added (% of GDP), of major sectors, Detroit Metropolitan (2001 - 2015)



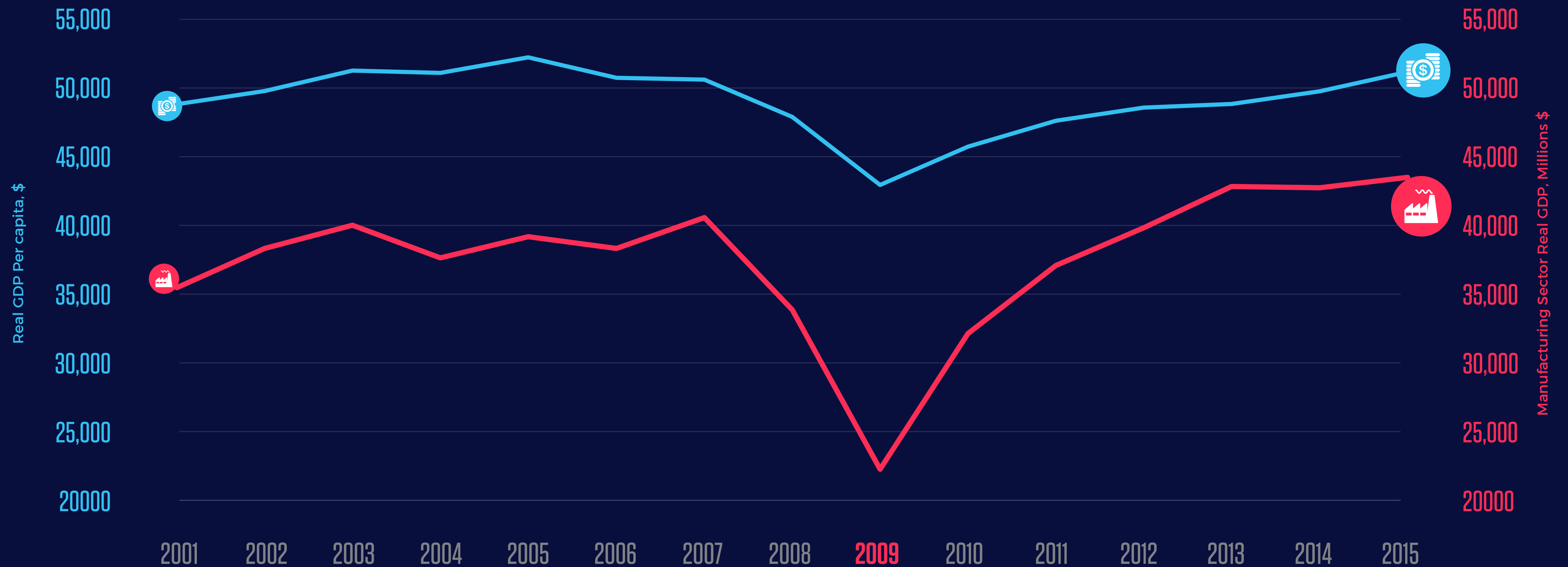
The structure of metropolitan Detroit's economy - in terms of the contribution of different sectors - has remained relatively stable since the turn of the 21st century.

However, manufacturing's contribution to the economy has been turbulent - shrinking to [X%] in 2009 and then rising dramatically following the auto bailout. Today, manufacturing is a more important contributor to Detroit's economy than it was in 2001.

Has Detroit diversified its economy?

i The fortunes of Detroit's economy are still heavily dependent on the manufacturing sector.

Real GDP Per capita and Manufacturing Sector Real GDP (Millions \$), Detroit Metropolitan (2001 - 2015)



Source: U.S. Bureau of Economic Analysis

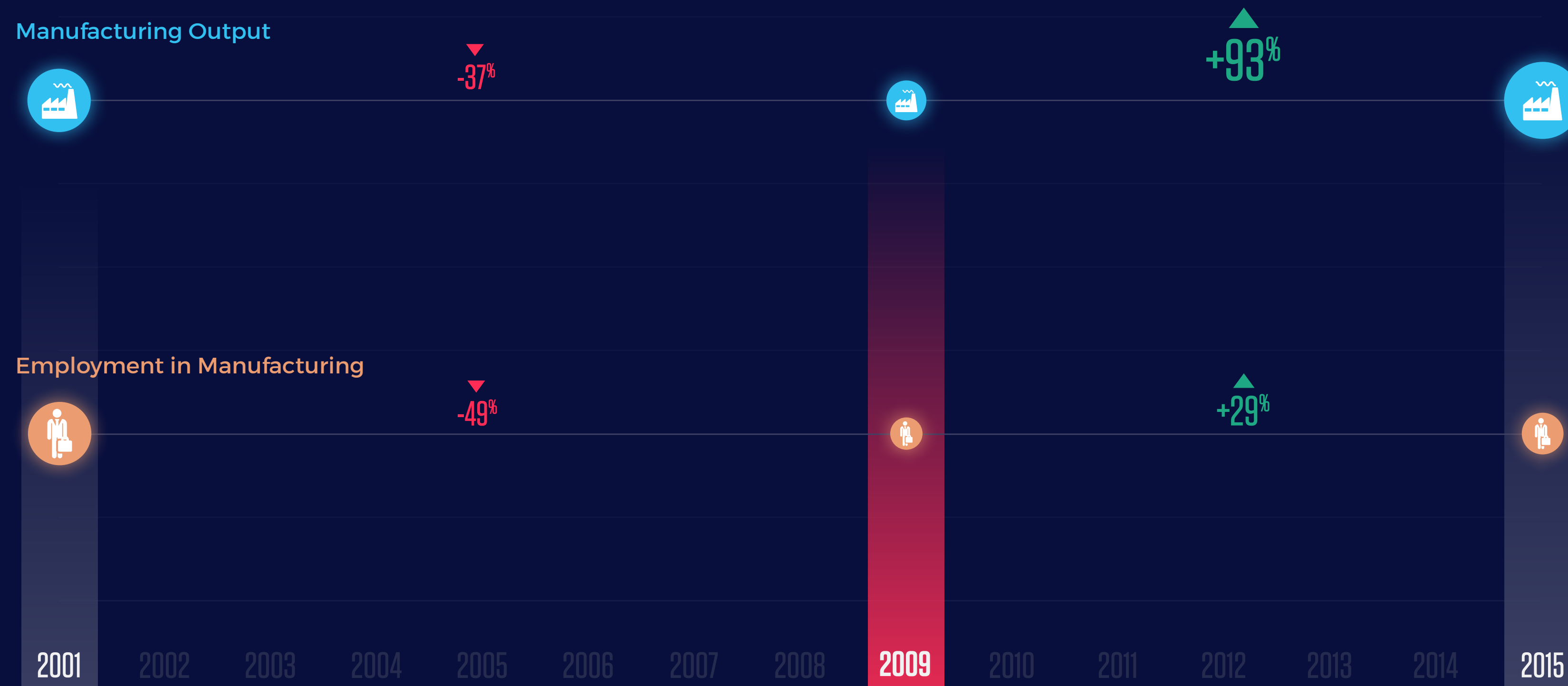
Has Detroit diversified its economy?



Job growth in the manufacturing sector has been impressive since 2009. But it pales in comparison to the growth in the sector's contribution to GDP.

This suggests that, even as manufacturing thrives, automation is limiting the sector's job creation potential.

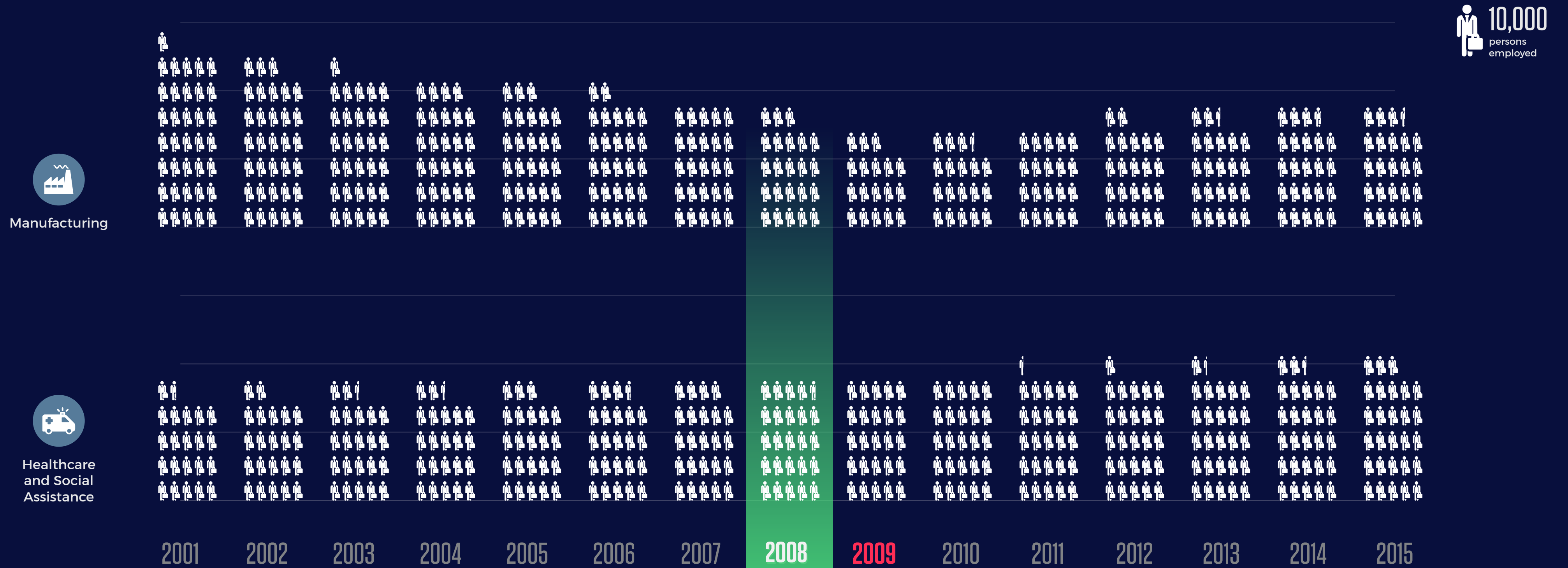
Growth in Manufacturing Output vs Employment in Manufacturing, Detroit Metropolitan (2001, 2009, 2015)



What are the labor market impacts of a manufacturing revival?

i In 2008, healthcare overtook manufacturing as the biggest employer in Detroit.

Total Employment: Manufacturing and Healthcare and Social Assistance, Detroit Metropolitan (2001 - 2015)



Source: Michigan Bureau of Labor Market Information

What are the labor market impacts of a manufacturing revival?

i Many of the sectors creating new jobs in Detroit have seen less growth in economic output. This raises concerns about the quality of those jobs: Are they productive? Do they pay workers good wages?

Total Employment, Major sectors, Detroit Metropolitan (2015)
% Change in Share of Total Employment (2009 - 2015)



Source: Michigan Bureau of Labor Market Information (GDP contribution); US BEA

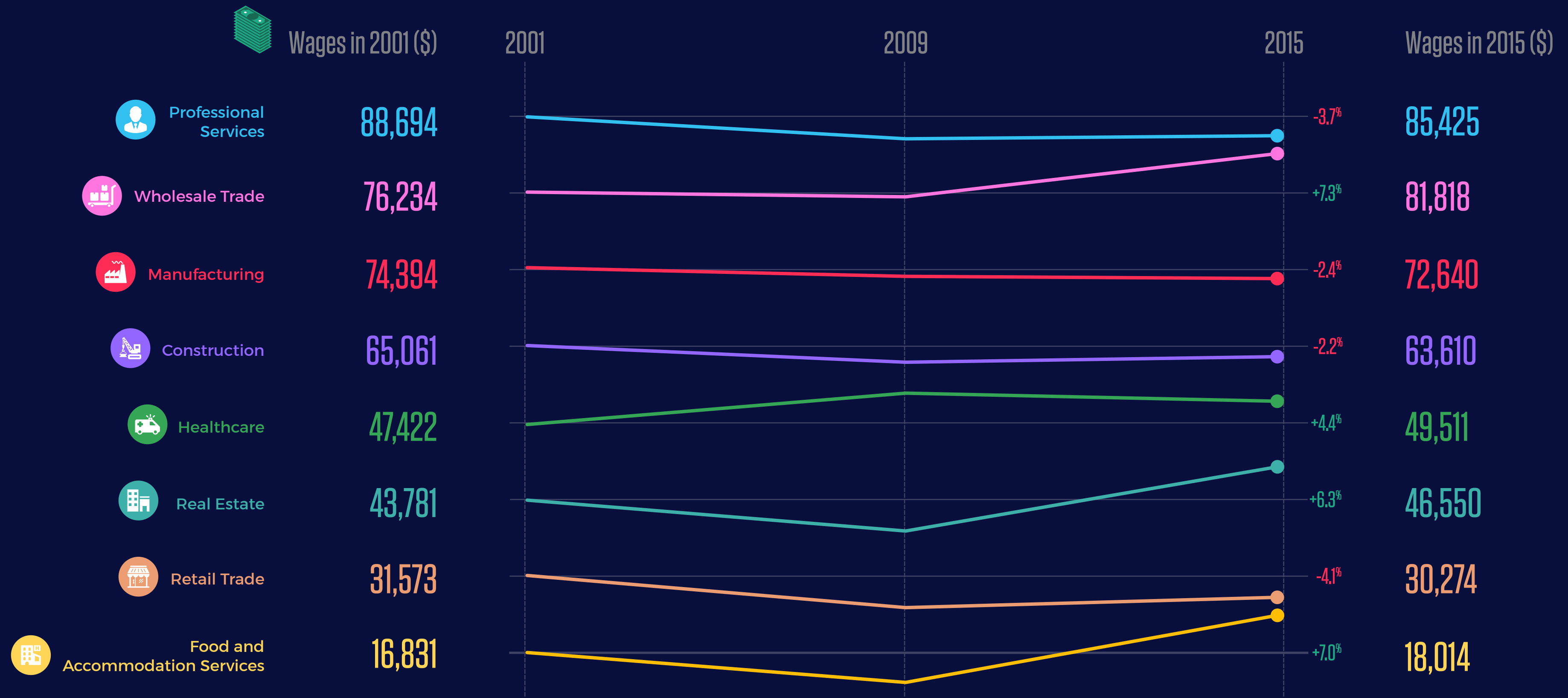
A dimly lit warehouse scene. In the background, a forklift operator is visible, wearing a white shirt and an orange safety vest. In the foreground, two workers in white shirts and orange safety vests are handling stacks of cardboard boxes on blue pallets. The text "Most major sectors have seen wage stagnation." is overlaid in the center, with "wage stagnation." in red.

Most major sectors have seen
wage stagnation.

What are the labor market impacts of a manufacturing revival?

Average Annual Earnings per Worker by Sector, Detroit Metropolitan (2001 - 2015)

i Wages did not drop dramatically during the Great Recession, suggesting that most firms reacted to the economic turmoil by shedding workers rather than reducing wages.



JOBS

Washington Post
August 24, 2008

Bring Your Internship to a Strong Close

Who has access to good jobs in Detroit?

Race and Place continue to be the two most important determinants of economic outcomes for people in Detroit.

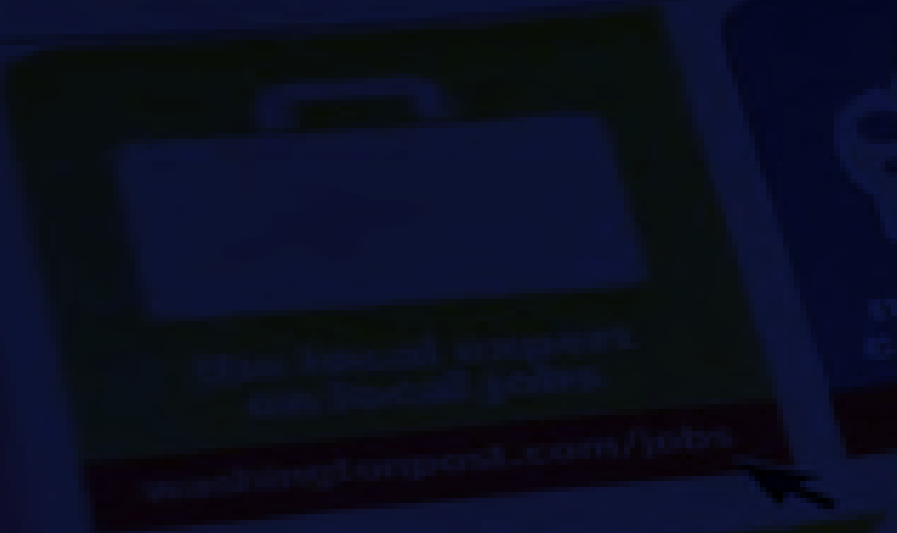


National Association of Colleges tracks student and college next long before your last assignments or business units are...
...opportunities will occur in the...
...knows of something promising...
...of recommendation and in...
...that area, Mackles suggested.
If you really enjoyed the int...
all the assignments, consider if...
fall from your dorm room or ap...
that because it helps with the w...
connected to young recruits, M...
strates time management and...
mostely and independently — an...
résumé to say that you handled it...
and winter.
Punk tells of a former intern...
master's degree in art history...
stayed involved at the Carcor...
the gift shop and then helping...
nology.

"She took any part-time j...
said. Now she has landed a...
social events department.
In their final days, intern...
their résumés or cover lett...
colleagues or someone in...
Use the organization's res...
— and don't forget to relat...
there again.
Interns' big mistake, not...
getting a "strong closure...
forgot to let key people know...
"Make sure you know...
sure your manager knows...
ment."

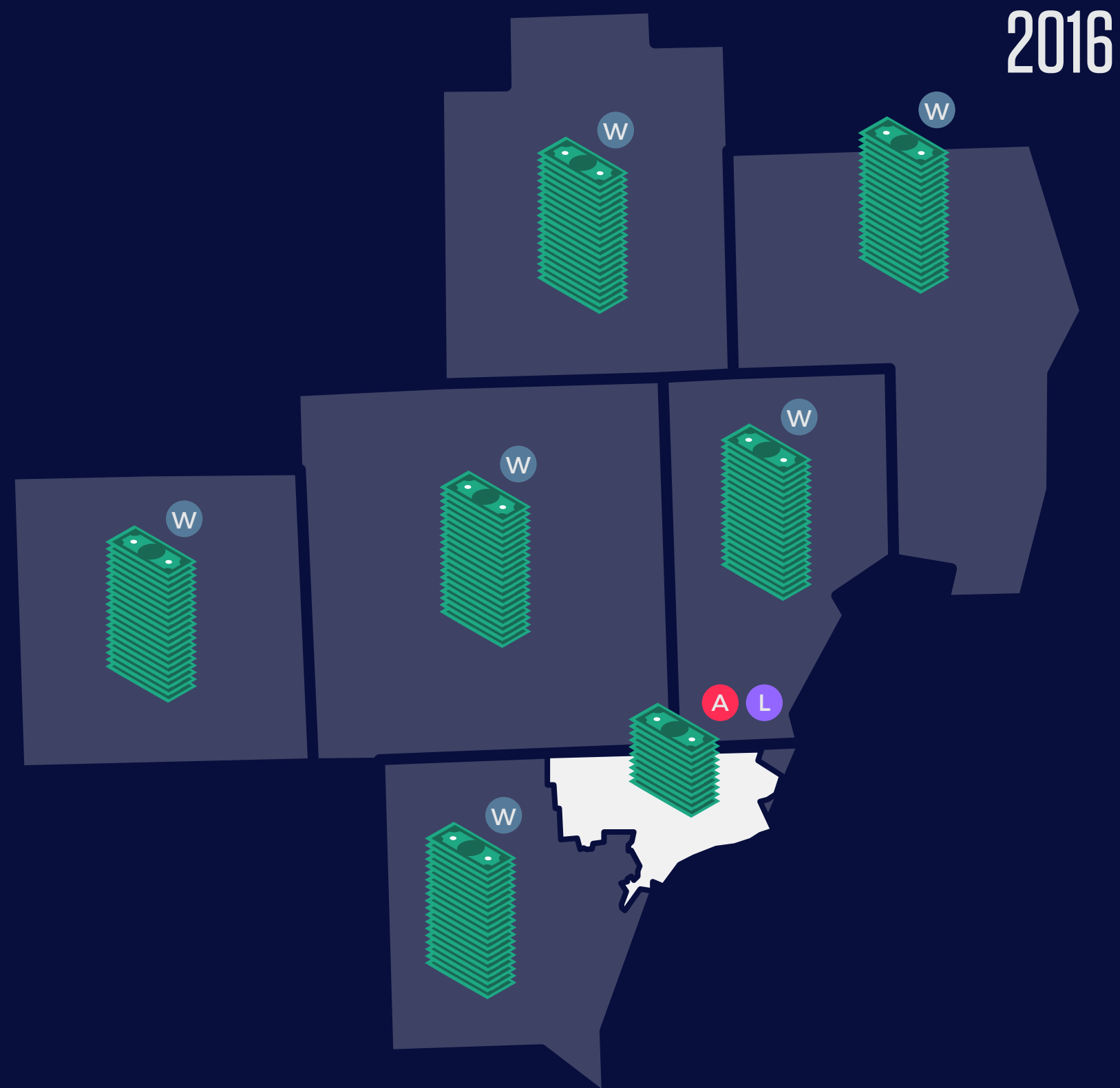
Keep Working Your Internship, Even After It Ends

If you've already left your...
...and have...
...and have...
...and have...

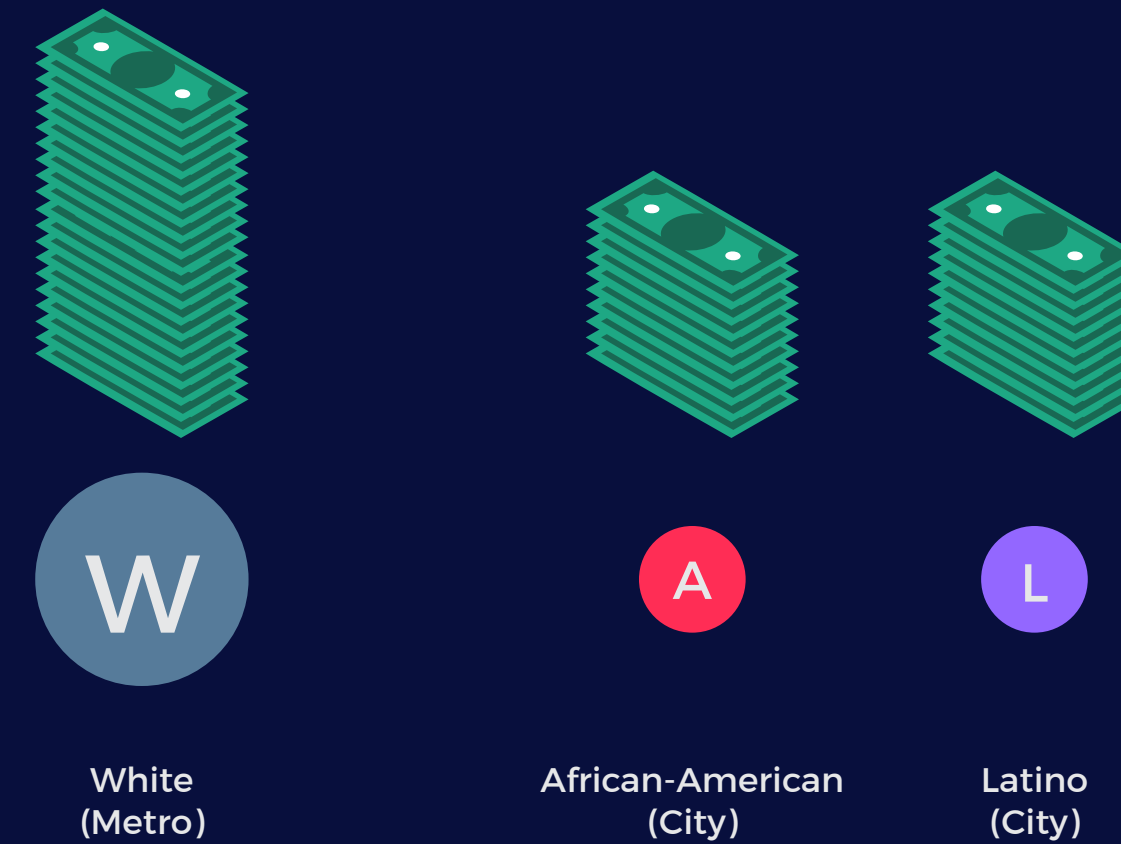


job advertisements
Washington Post
Call 202-334-4100
or 1-800-765-2441

Who has access to good jobs in Detroit?

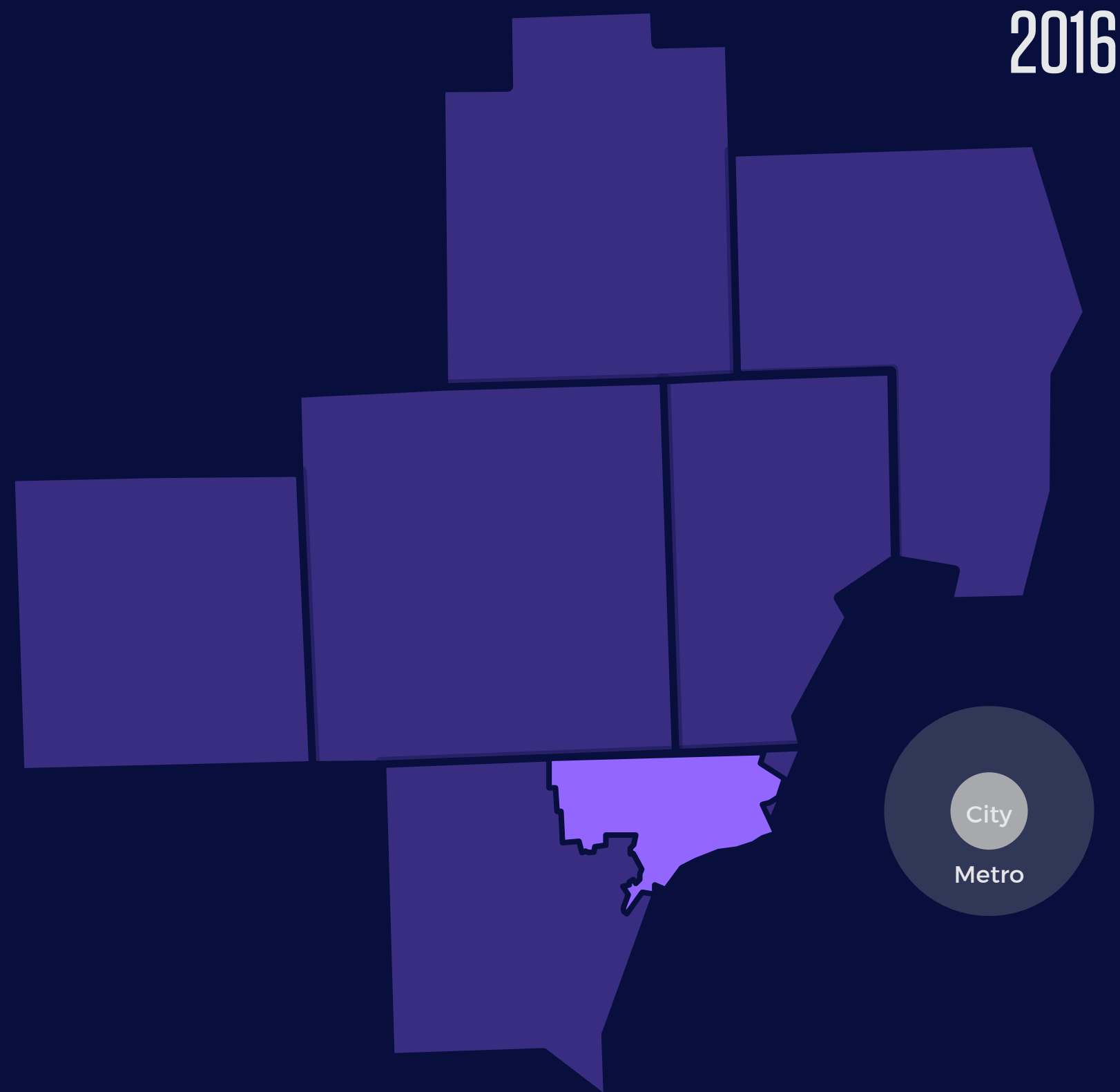


Whites in the metro area as a whole still earn more than double what African-Americans and Latinos in the city earn.



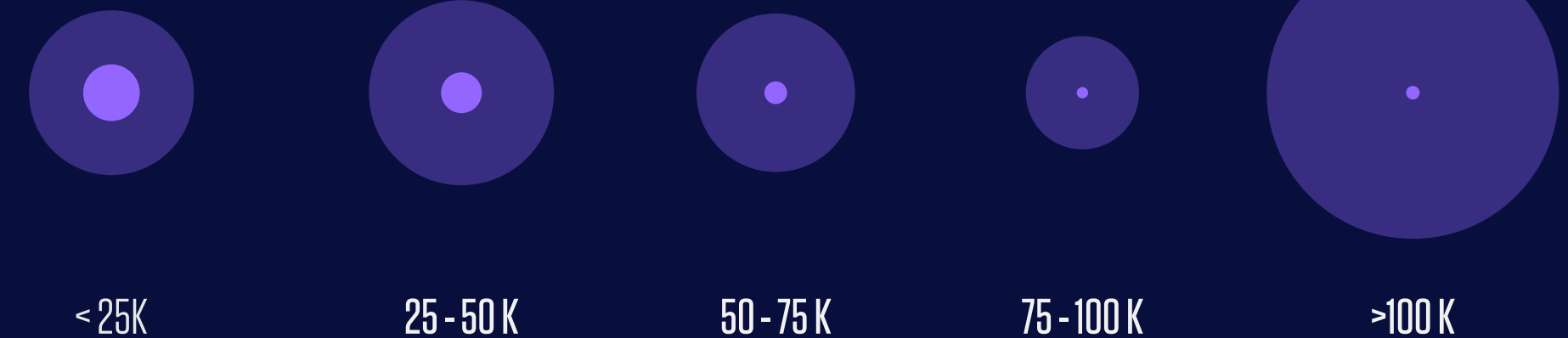
Per Capita Income by Race, Detroit City vs Detroit Metropolitan (2016)

Who has access to good jobs in Detroit?



The spatial distribution of income in metro Detroit is far more skewed than in most American cities. Workers earning more than 100,000 dollars per year are 20 times more likely to live in Detroit's suburbs than in the city.

Income Distribution, Detroit City vs Detroit Metropolitan (2016)



~20x

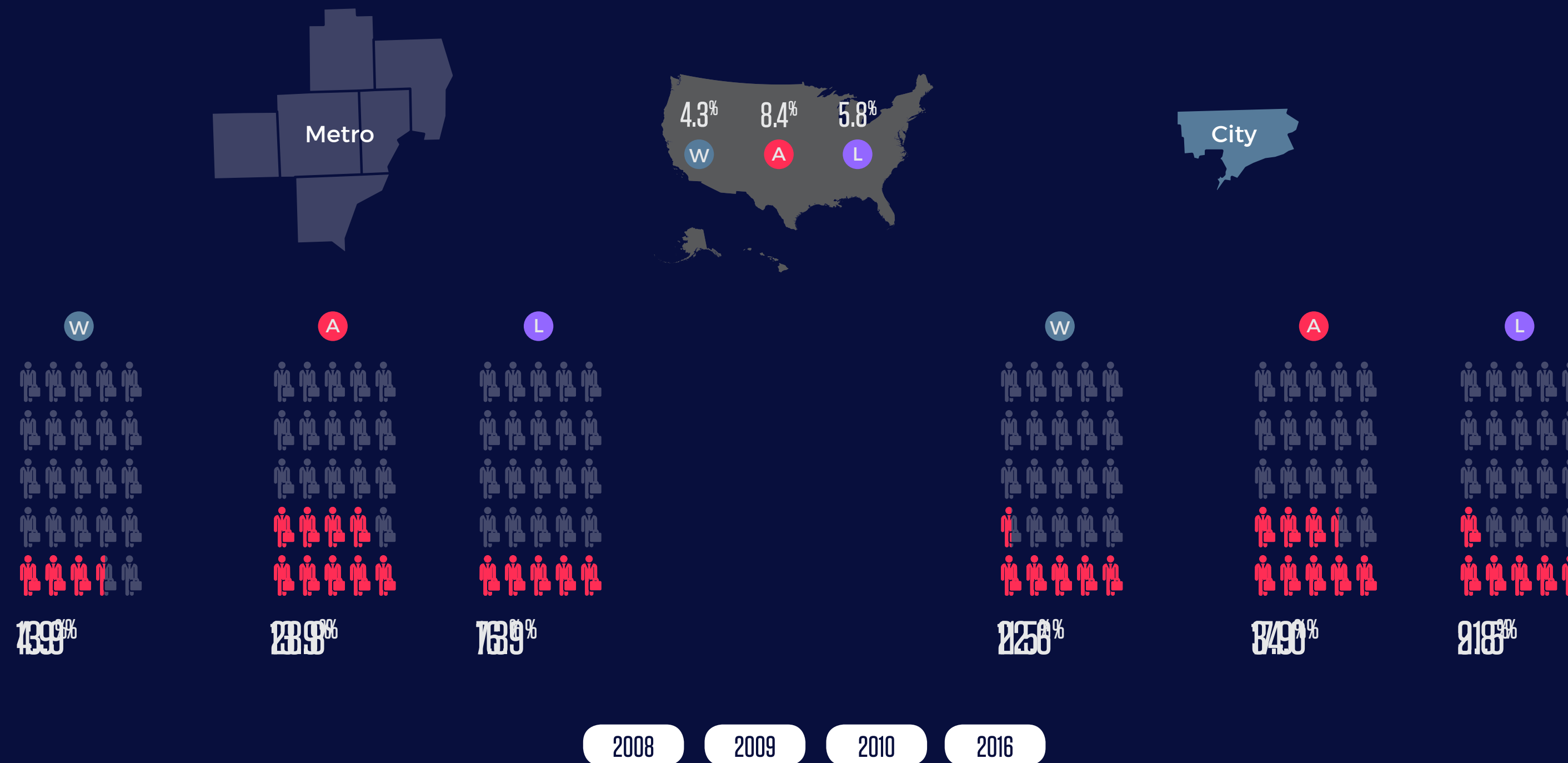
Who has access to good jobs in Detroit?



African-Americans living in the city of Detroit saw the sharpest increase in unemployment during the Great Recession, with suburban whites more cushioned during the economic decline.

African-Americans in Detroit are [X] times more likely to be unemployed than African-Americans in the United States as a whole, while whites in the region fare similarly to whites across the country.

Unemployment Rate by Race, Detroit City vs Detroit Metropolitan (2008 - 2016)



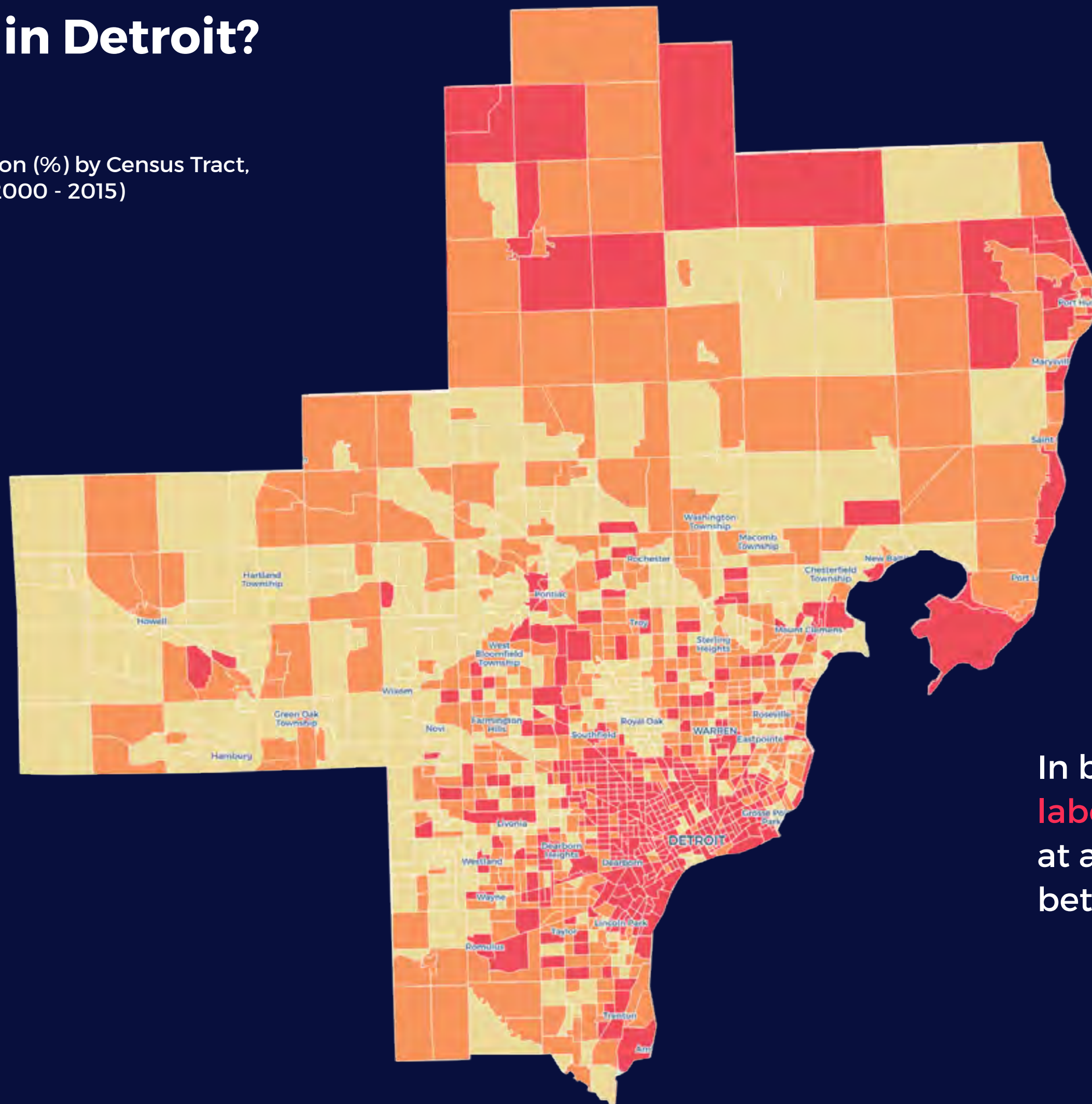
Who has access to good jobs in Detroit?

Labor Force Participation (%) by Census Tract, Detroit Metropolitan (2000 - 2015)

2000

2010

2015



0 60.8 100
Values based on quantile projections

In both the city and metro, the labor force participation declined at a faster pace among women between 2010 and 2015

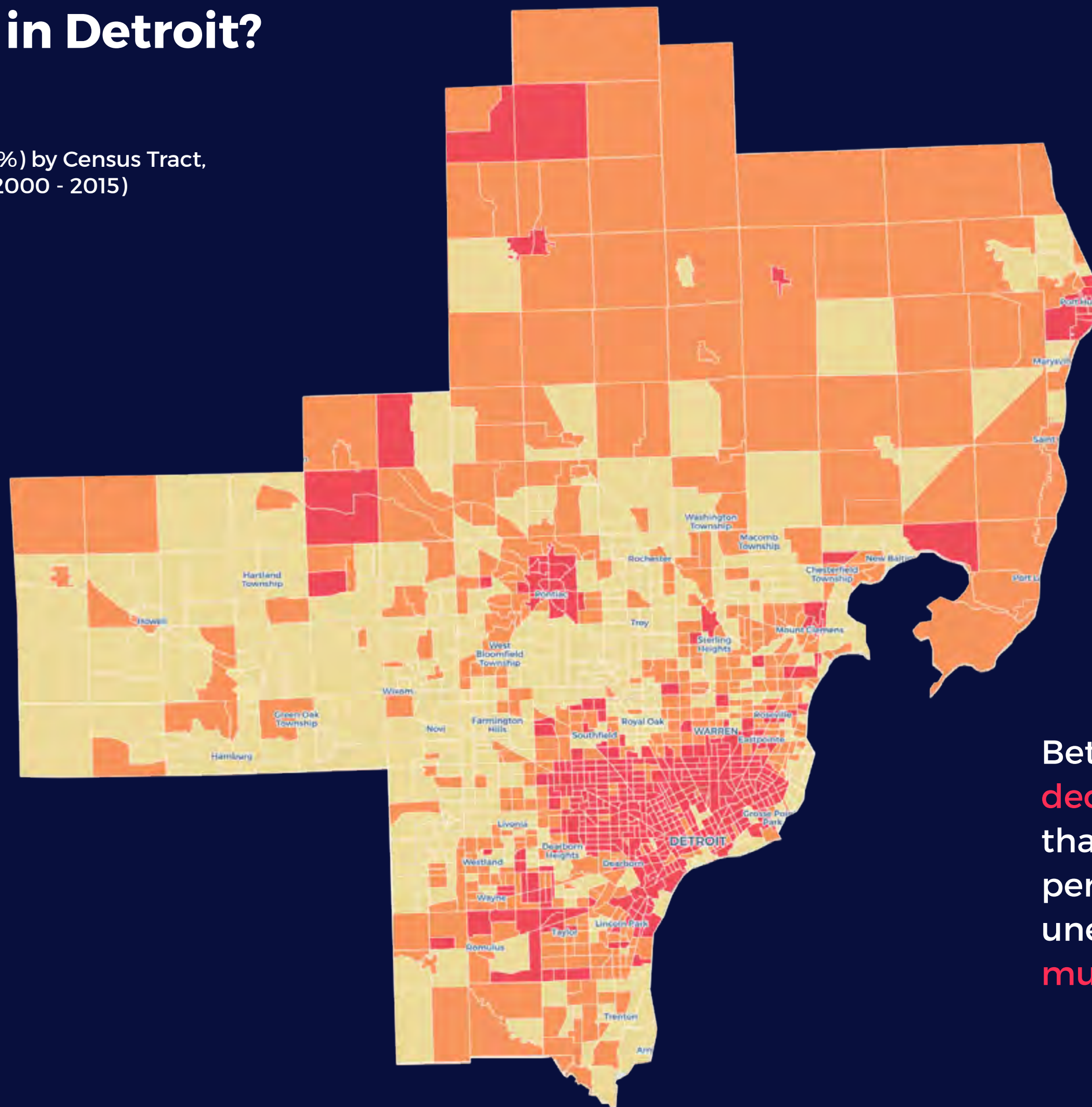
Who has access to good jobs in Detroit?

Unemployment Rate (%) by Census Tract, Detroit Metropolitan (2000 - 2015)

2000

2010

2015



0 12.8 66.7
Values based on quantile projections

Between 2010 and 2015, **unemployment declined faster** in the city of Detroit than in the suburbs - dropping 10.6 percentage points. However, at [X%], unemployment in the city still **remains much higher** than in suburban Detroit.

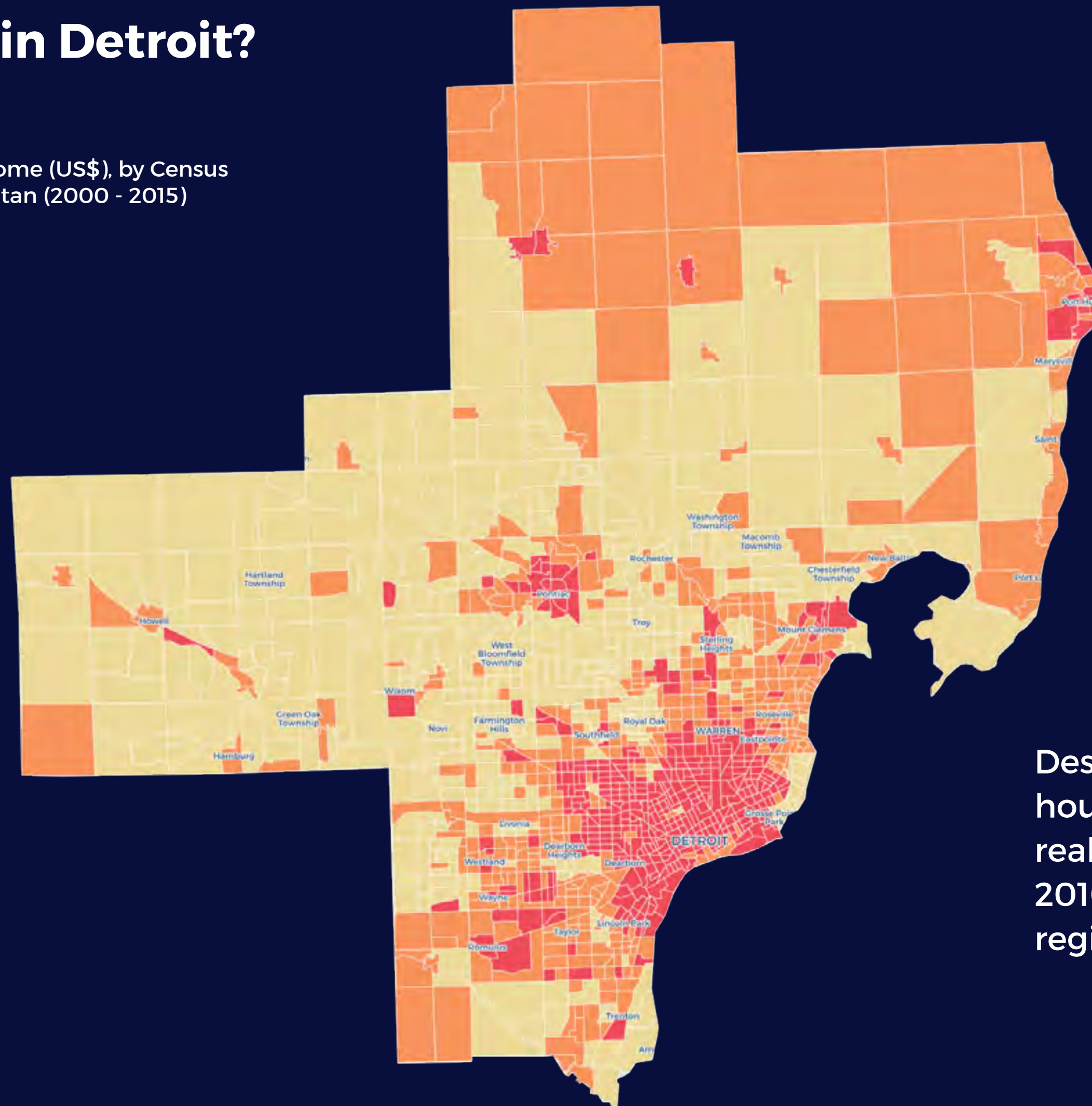
Who has access to good jobs in Detroit?

Median Household Income (US\$), by Census Tract, Detroit Metropolitan (2000 - 2015)

2000

2010

2015



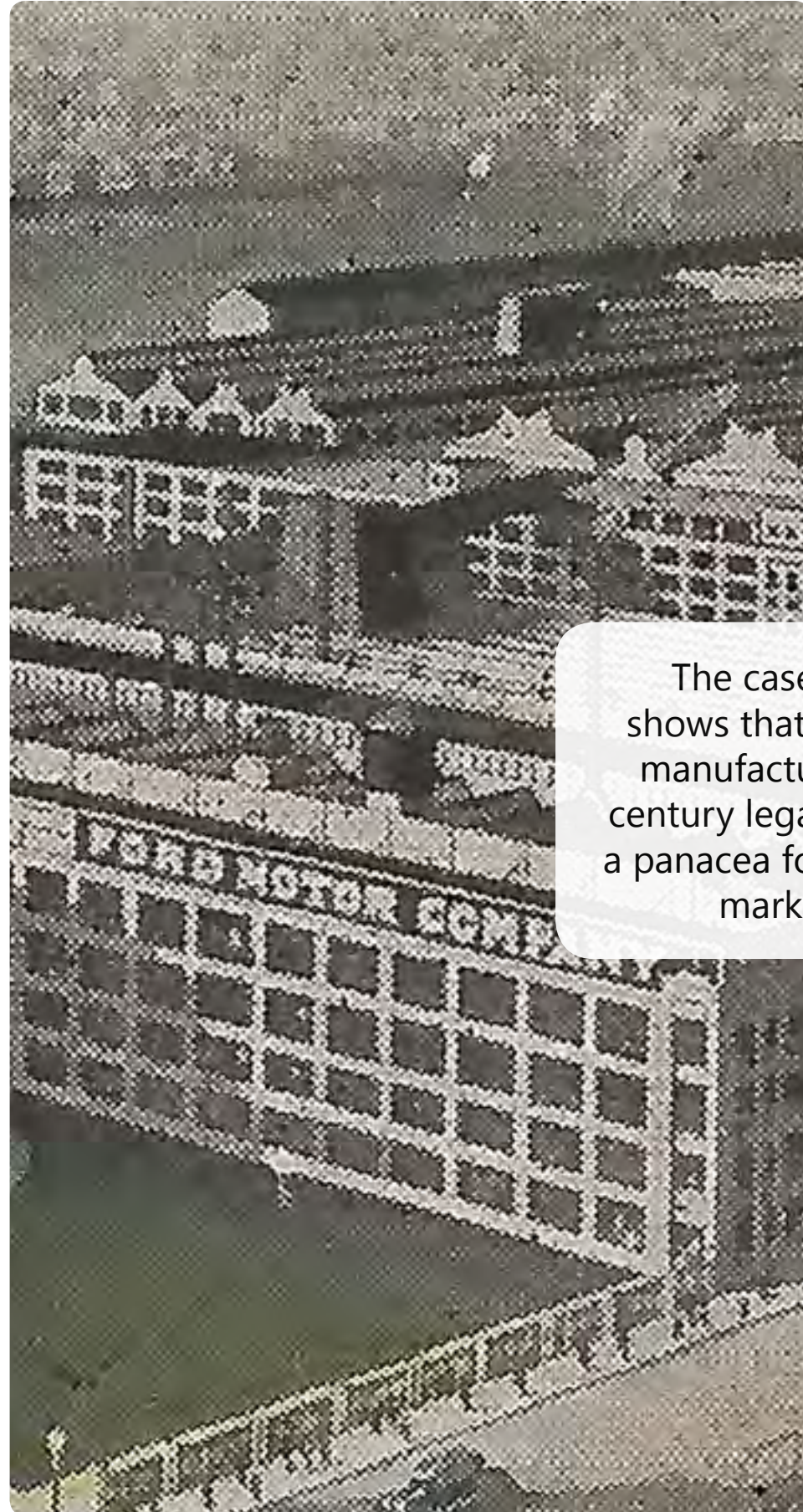
0 54K 180K
Values based on quantile projections

Despite job growth, the median household income in Detroit **declined** in real terms by [X% - (TOTAL %)] between 2010 and 2015, even as the suburbs registered an increase.

The story of Detroit



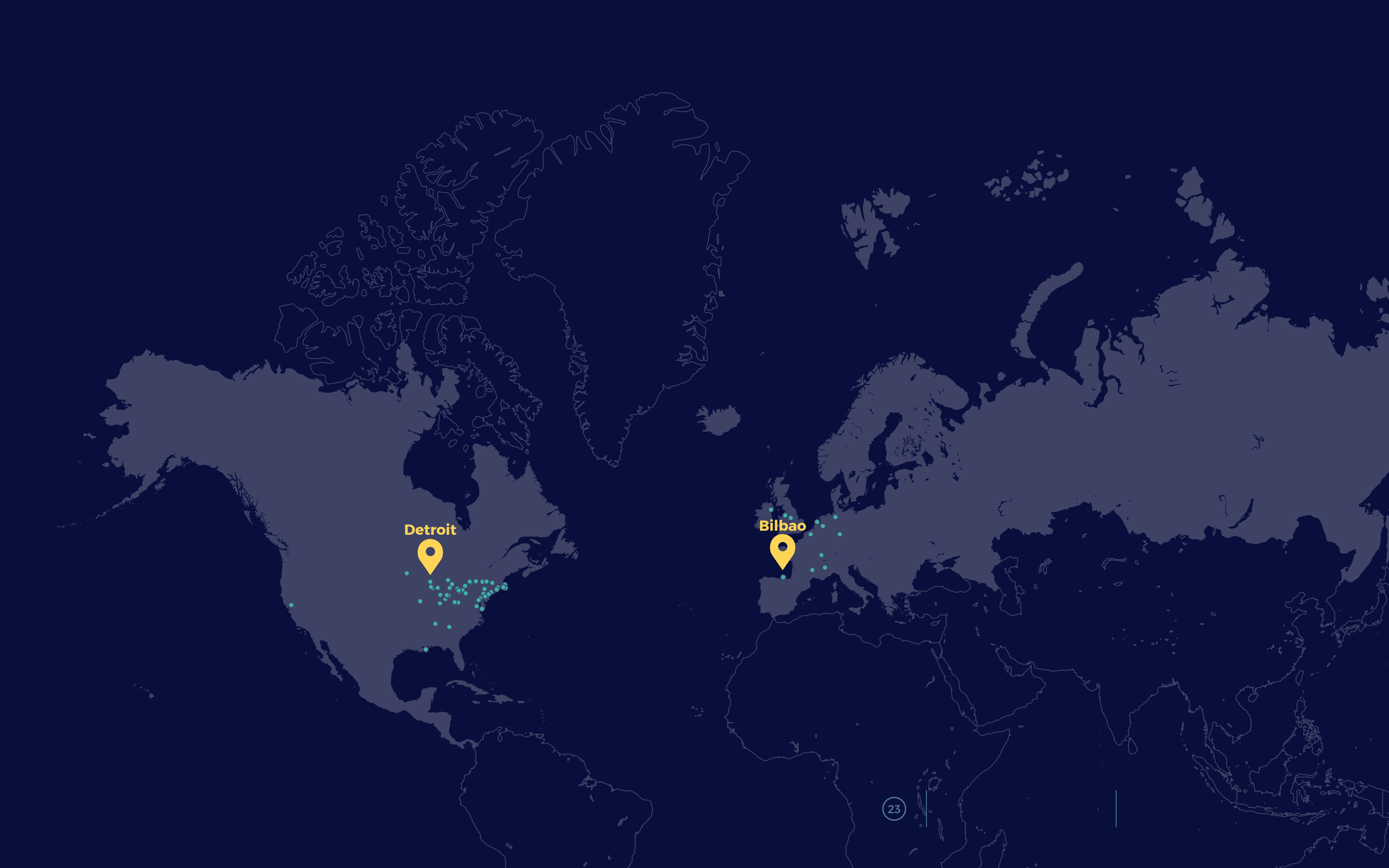
2009
AUTO INDUSTRY BAILOUT



The case of Detroit shows that the revival of manufacturing in 21st-century legacy cities is not a panacea for resolving job market woes.



Healthcare and hospitality are the future of Detroit's labor market, but their ability to create high-quality jobs is still in question. Meanwhile, the city must continue to reckon with its long history of spatial and racial inequity.



Detroit



Bilbao



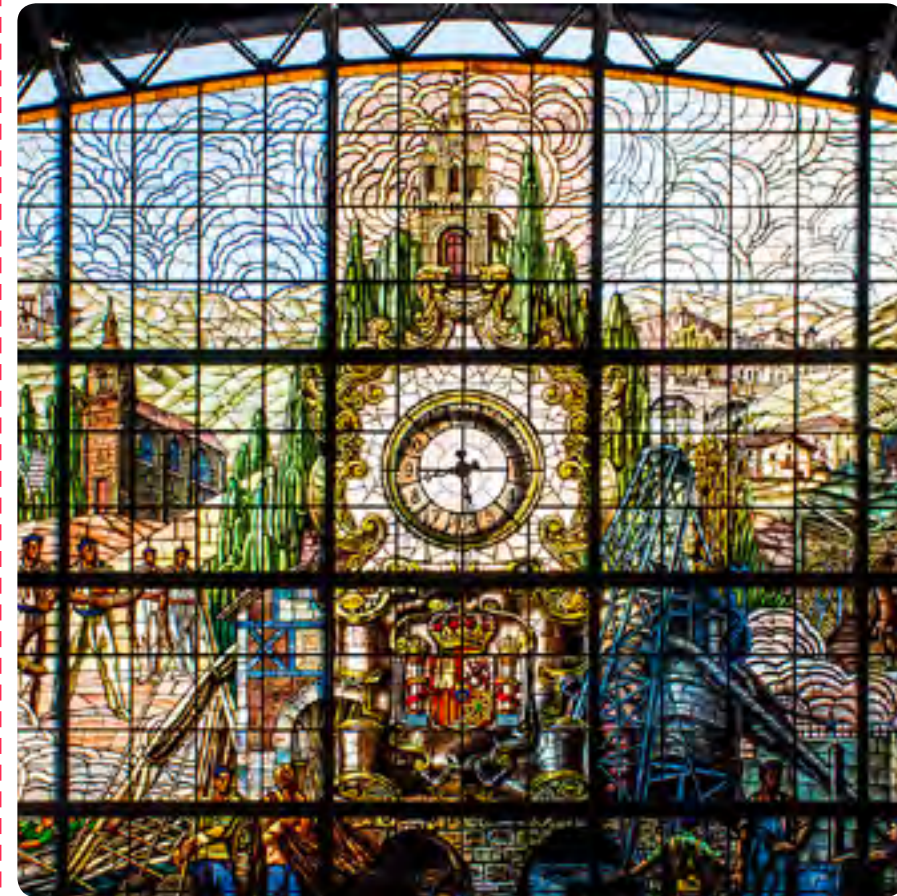
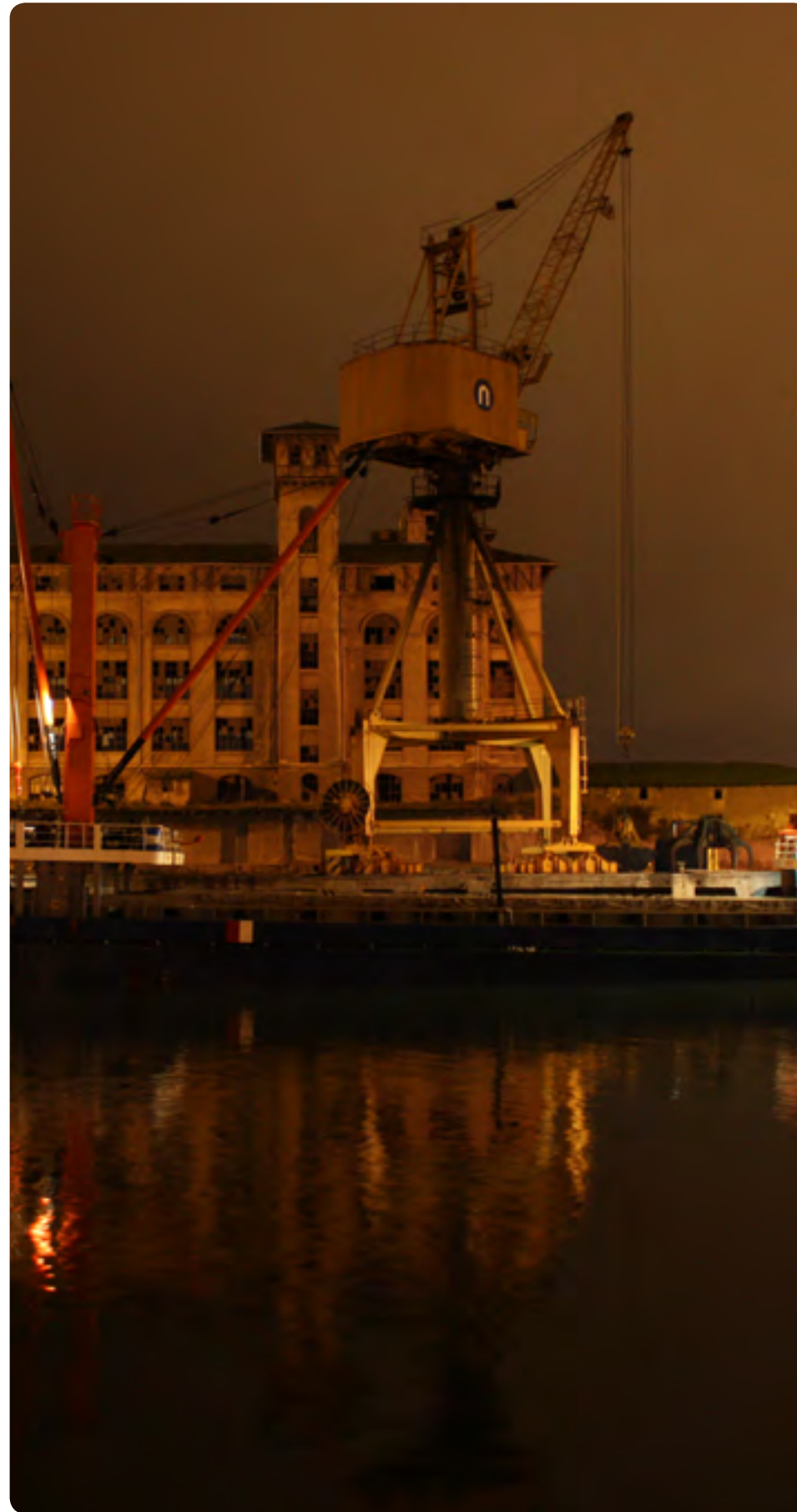


The story of Bilbao

The story of Bilbao

1998

ECONOMIC RENAISSANCE



2011

POST EURO CRISIS



The story of Bilbao in the post-economic crisis era is still being written. Signs of recovery are counterbalanced by concerns about the number and nature of new jobs being created.

The story of Bilbao

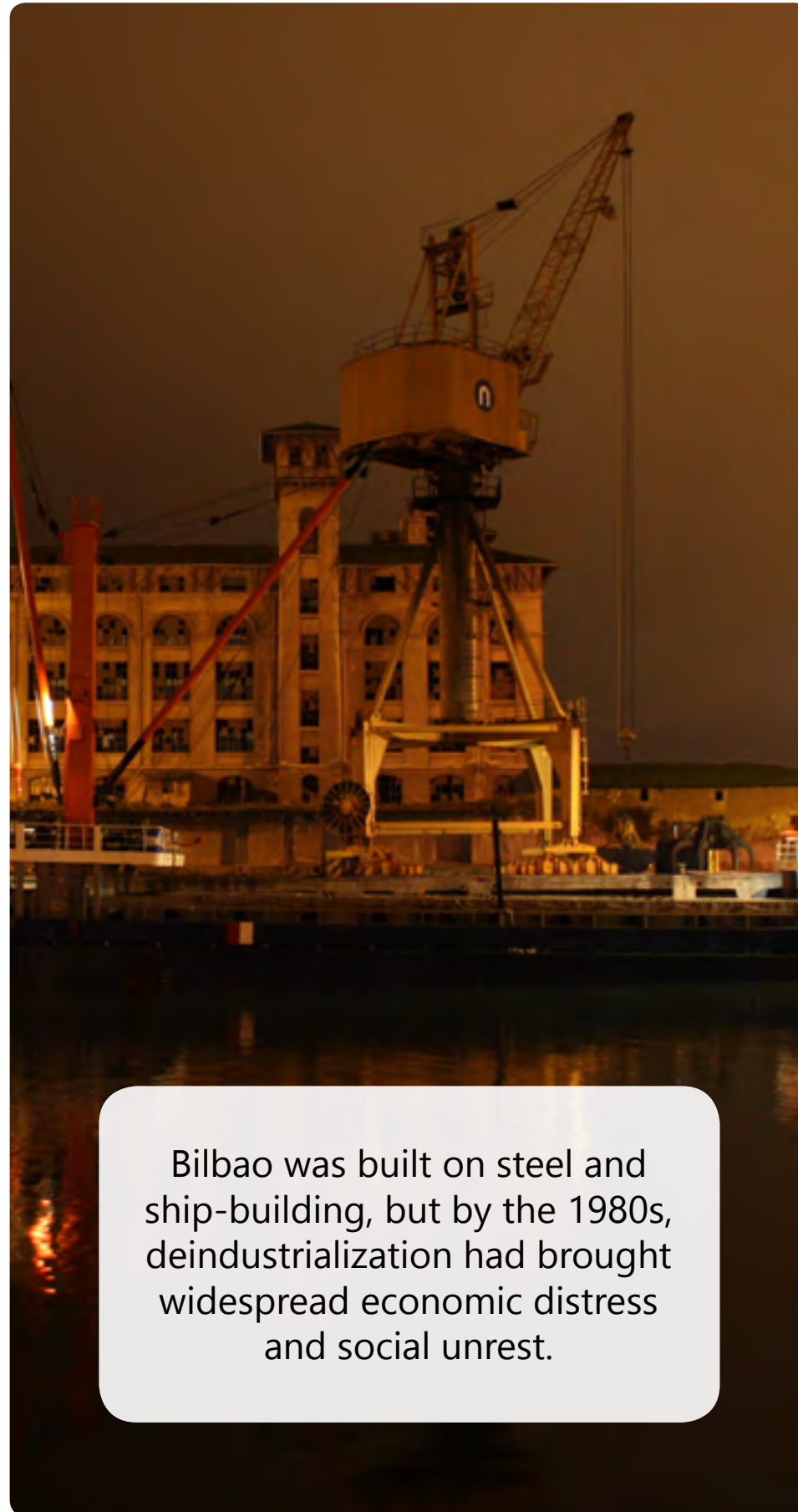


1998

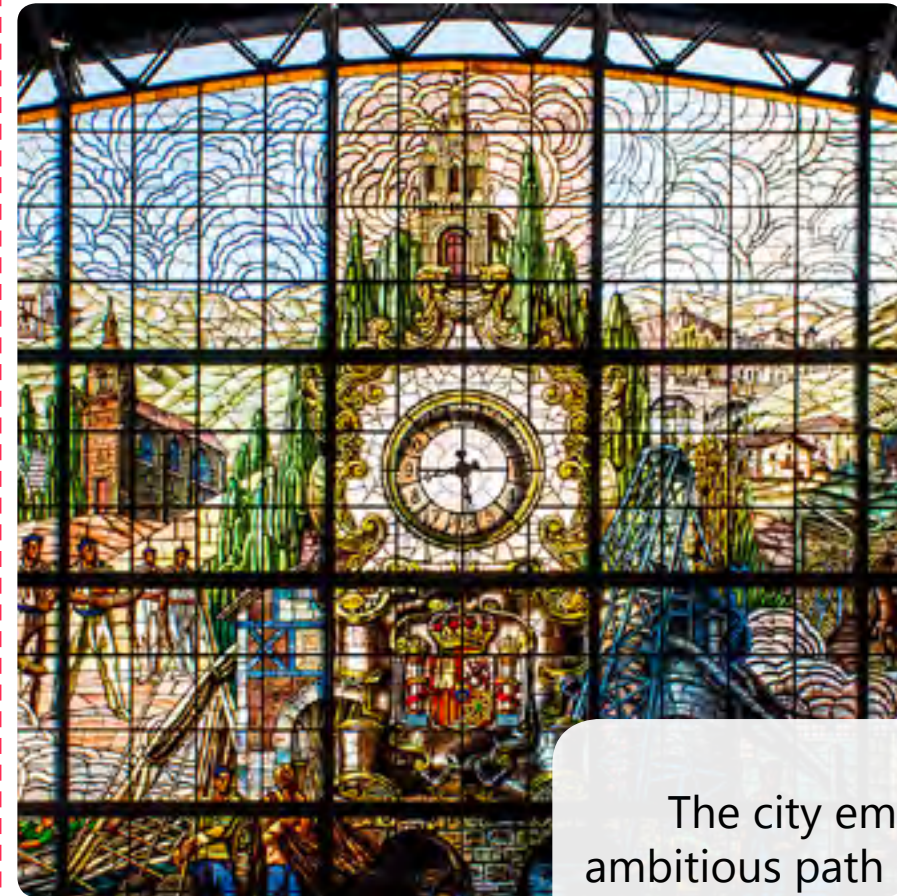
ECONOMIC RENAISSANCE

2011

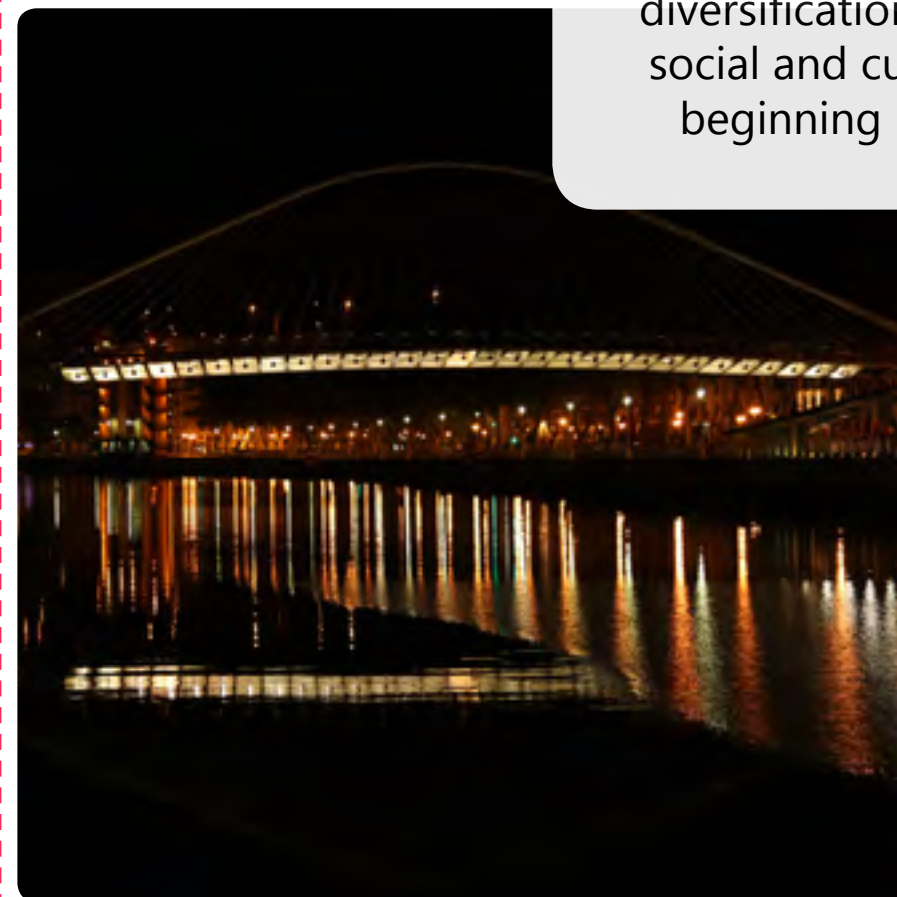
POST EURO CRISIS



Bilbao was built on steel and ship-building, but by the 1980s, deindustrialization had brought widespread economic distress and social unrest.



The city embarked on an ambitious path toward economic diversification - alongside a social and cultural revival - beginning in the 1990s.

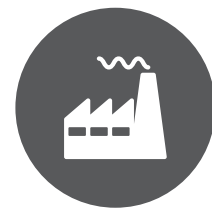


Like other cities in Europe, Bilbao was deeply affected by the global economic recession and the European debt crisis. Will its resilience and strong job market persevere in the 21st century?

Key sectors of interest



Agriculture



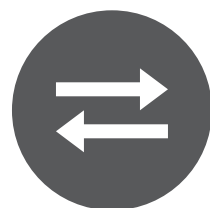
Industry and Energy



Construction



Services



Trade and Maintenance



Health and Social Services



Professional, Scientific and Technical Activities



Hospitality



Education



Information and Communications



Public Administration

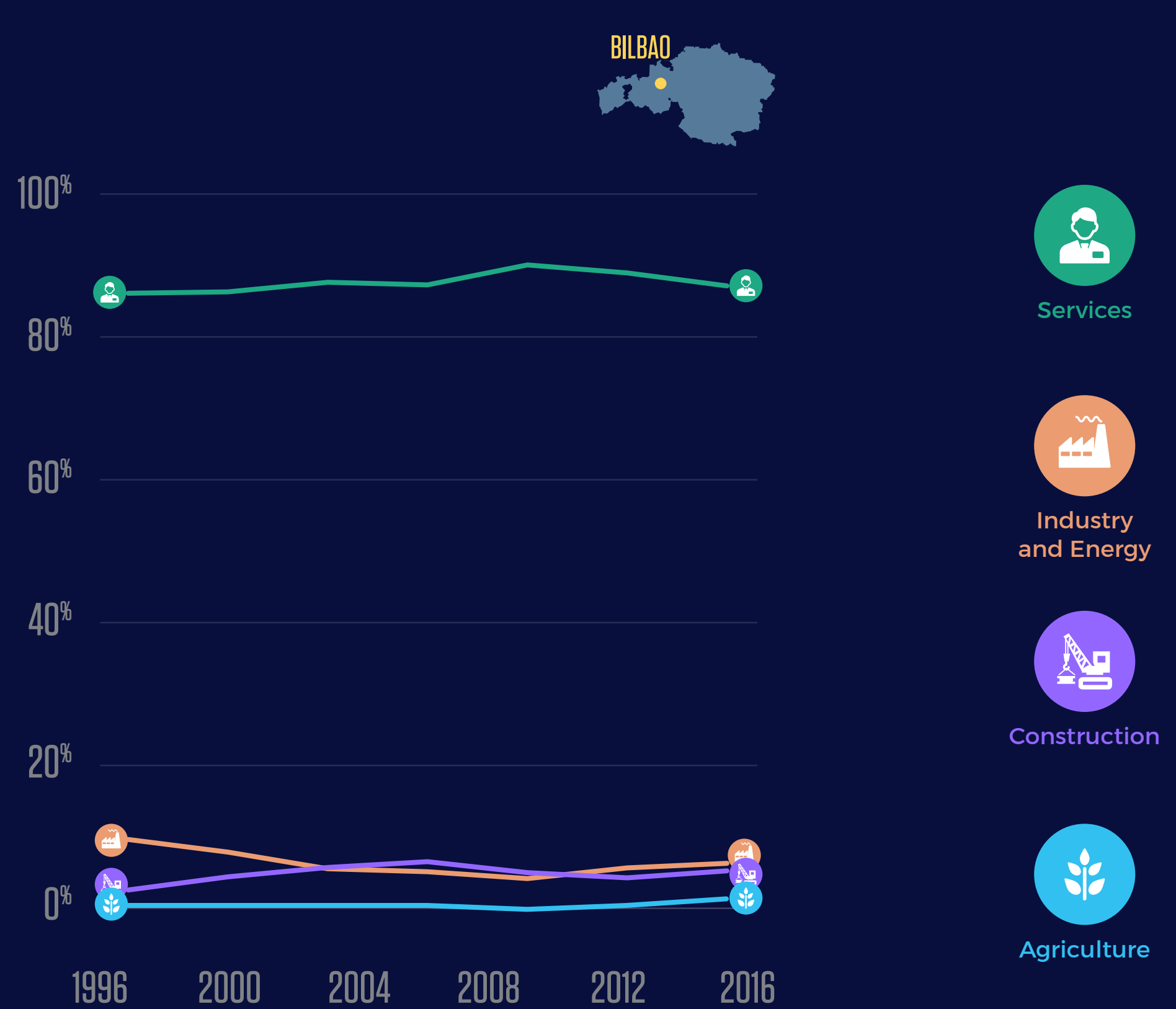
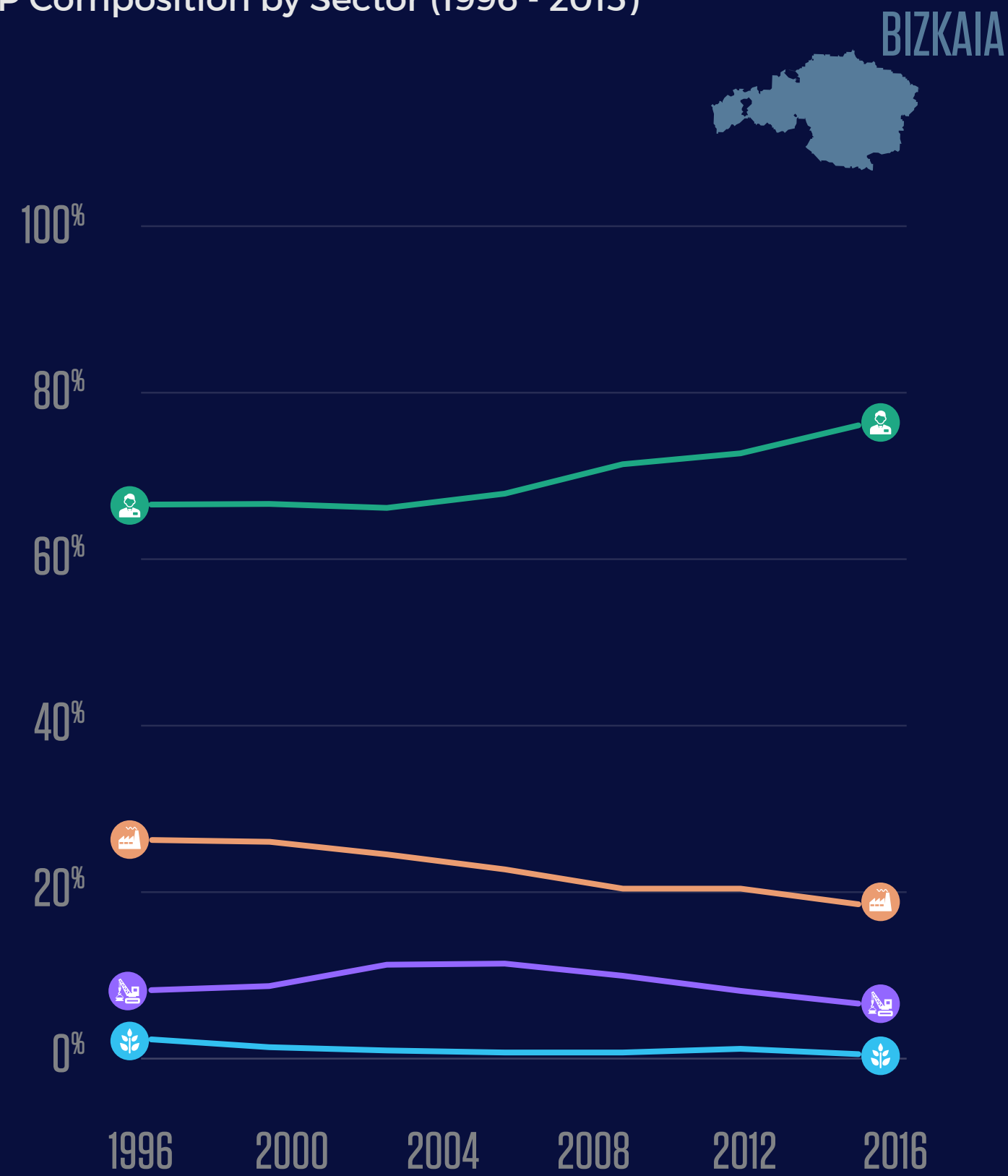


Transportation and Storage

Economic trend in Bizkaia versus Bilbao

i The economy of Bilbao remains service-dominated, a pattern that has changed little since the 1990s. In Bizkaia, the province in which the city is located, the process of deindustrialization continues.

GDP Composition by Sector (1996 - 2015)



Services



Industry and Energy



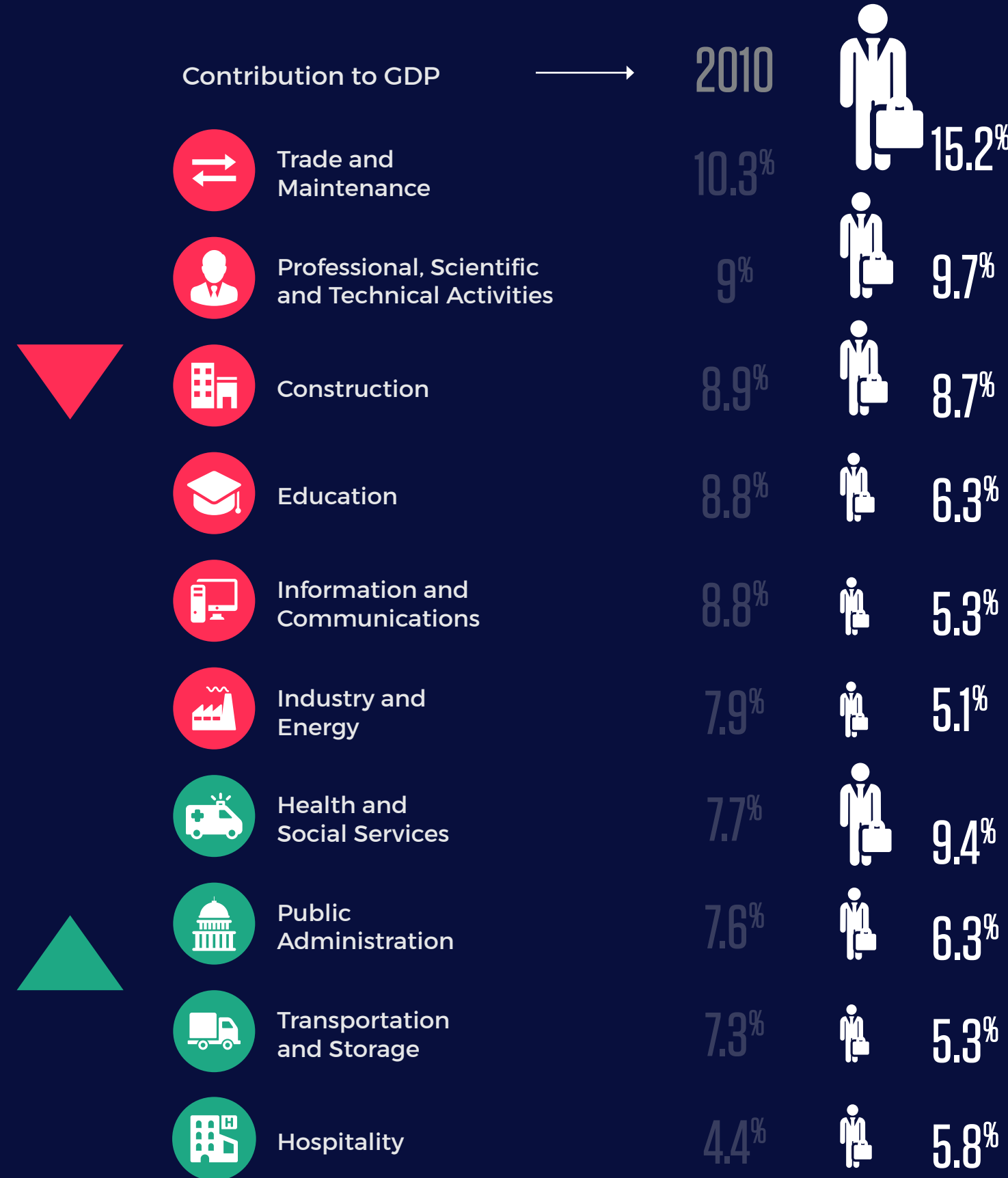
Construction



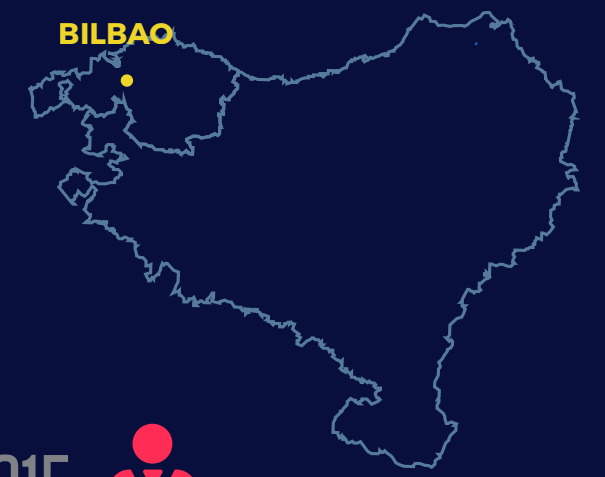
Agriculture

Which sectors are growing?

Sectoral Growth in Bilbao (2010 - 2015)



Share of Employment in Establishments, Bilbao (2010 - 2015)



Which sectors are growing?



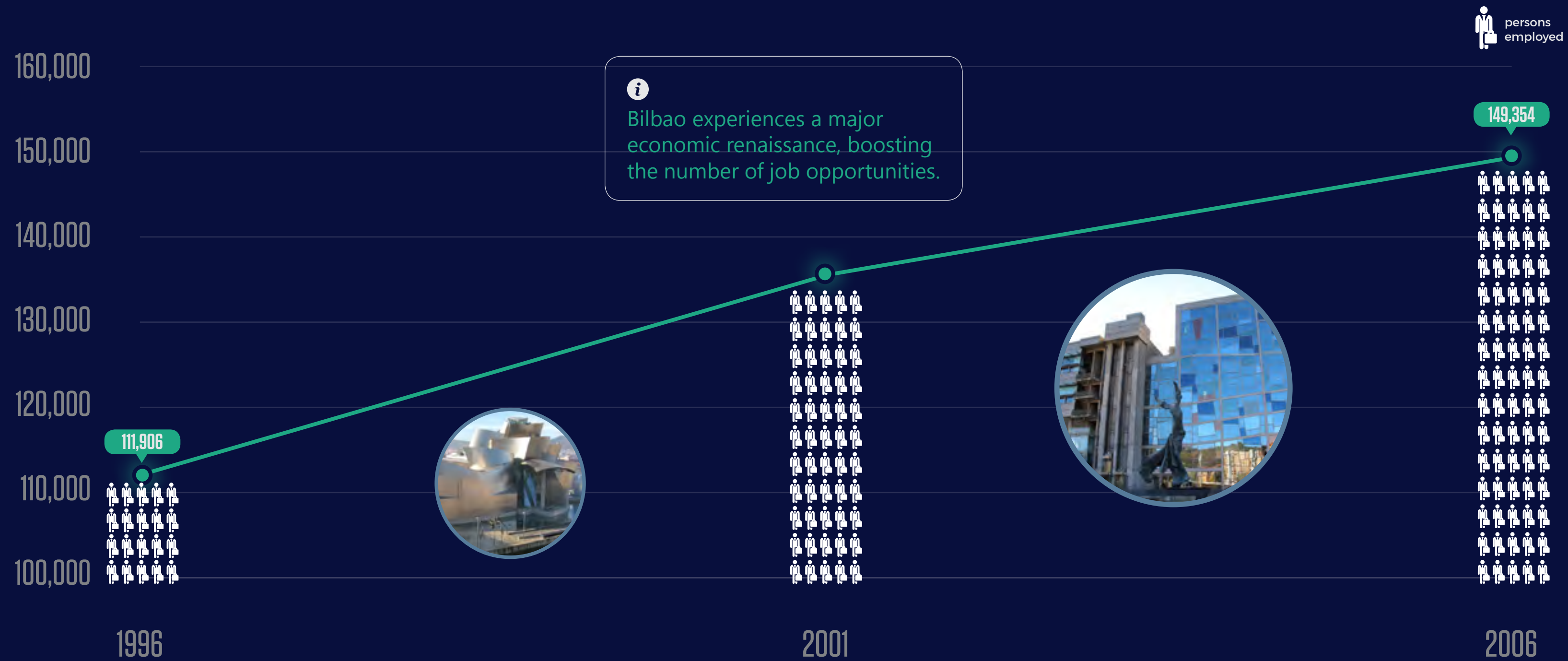
% Change in GDP vs % Change in Employment Share



Can the economic renaissance be sustained?



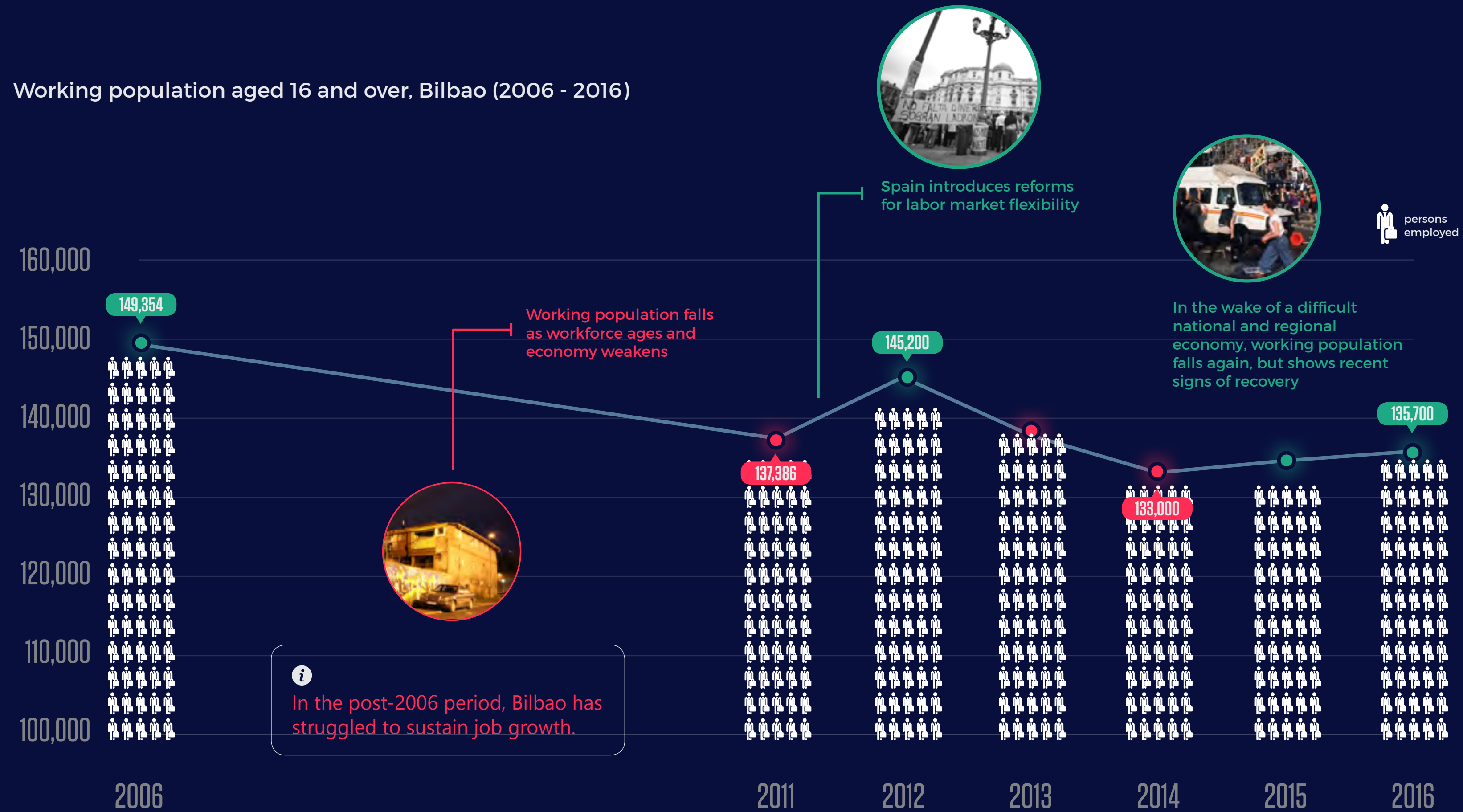
Working population aged 16 and over, Bilbao (1996 - 2006)



Can the economic renaissance be sustained?



Working population aged 16 and over, Bilbao (2006 - 2016)

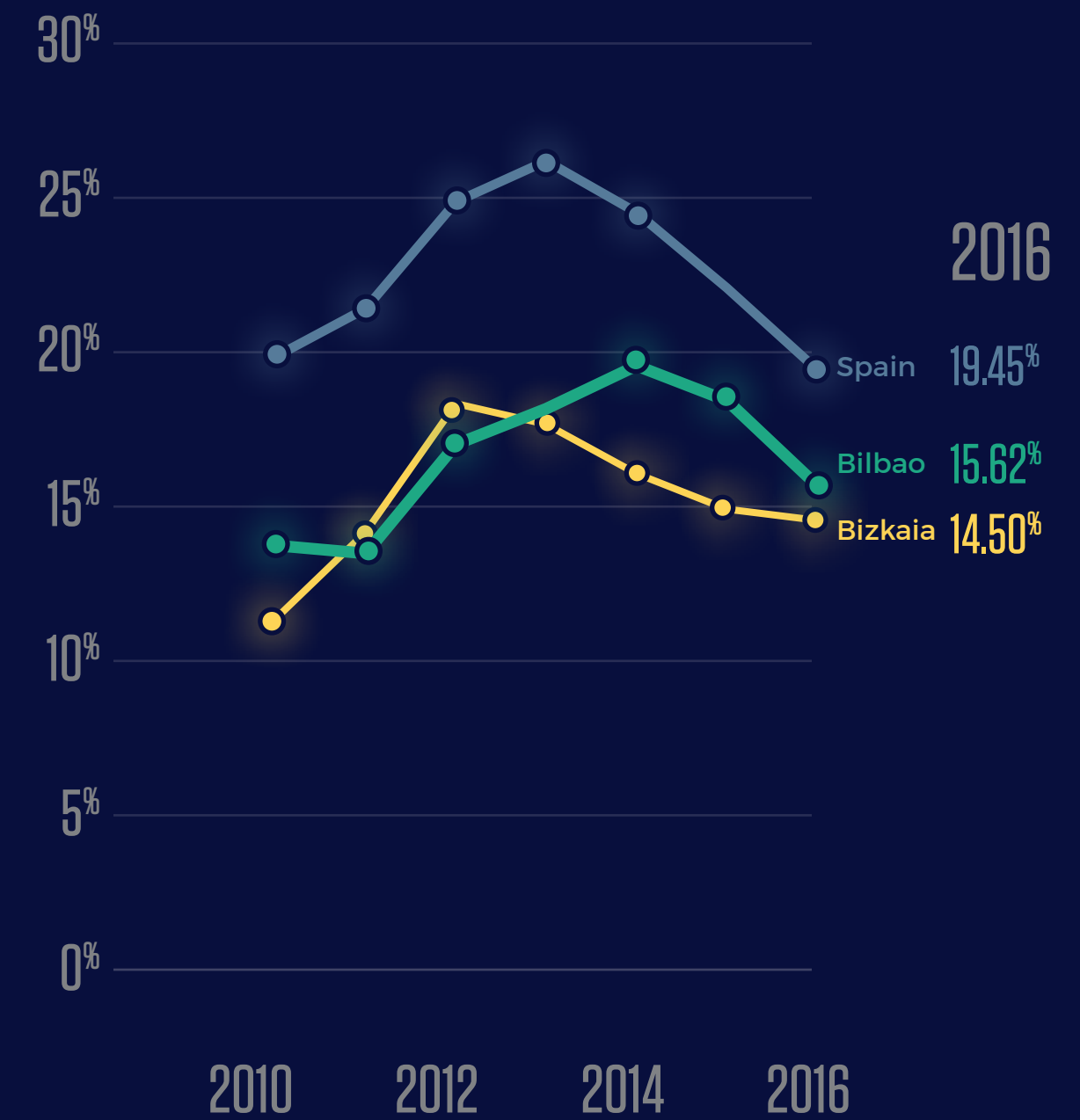


Can the economic renaissance be sustained?

i Unemployment in Bilbao and Bizkaia is still significantly lower than in Spain as a whole.



Unemployment Rate (2010 - 2016)

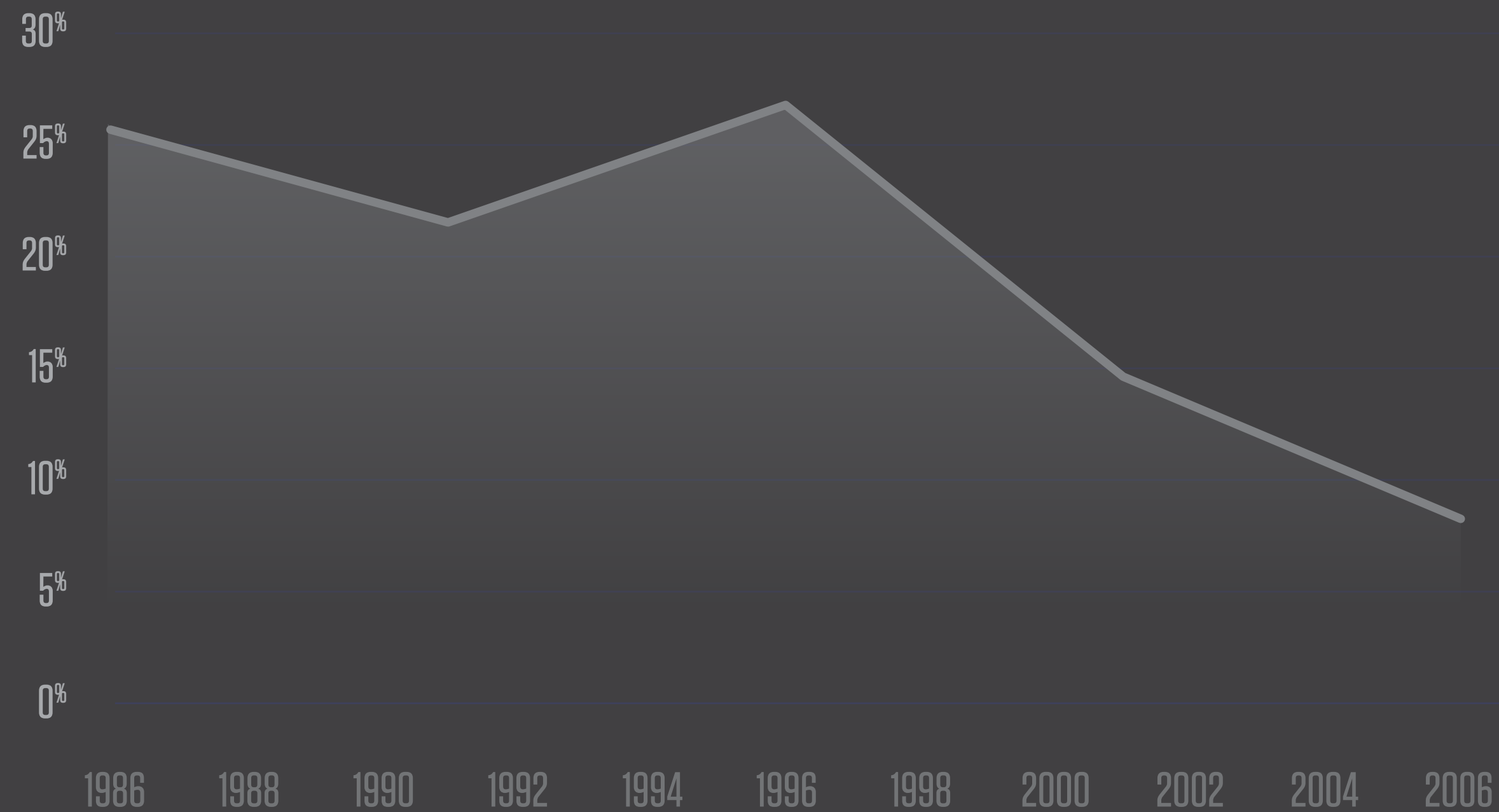


Source: EUSTAT: Population and Housing Census
INE Labor Force Survey, EPA; World Development Indicators

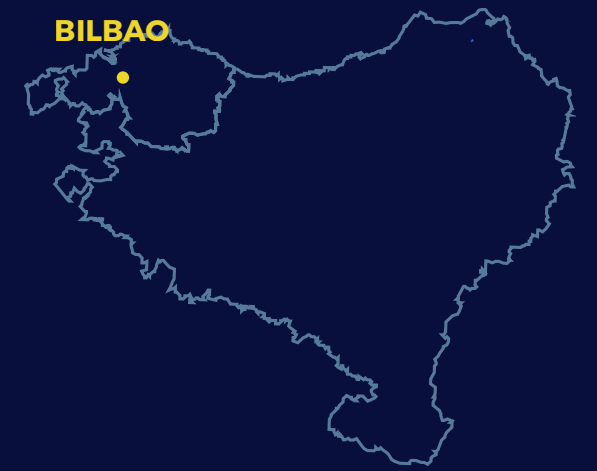
Can the economic renaissance be sustained?



Unemployment Rate, Bilbao (1986 - 2006)



Source: EUSTAT: Population and Housing Census
INE Labor Force Survey, EPA; World Development Indicators



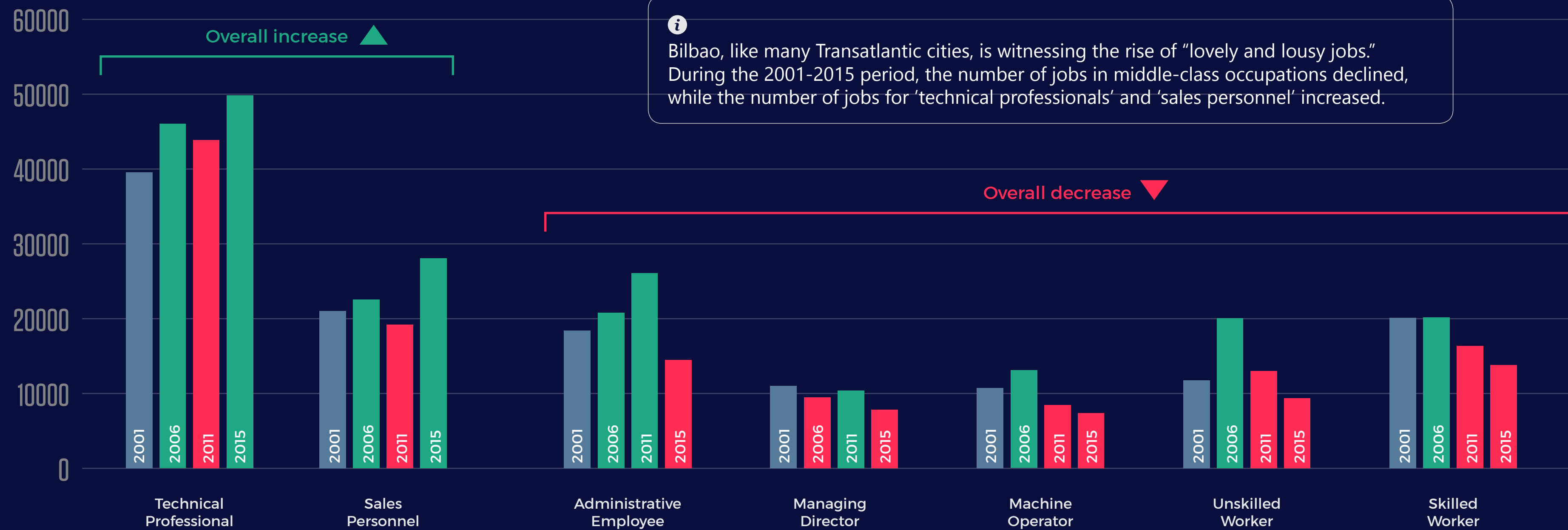
Unemployment Rate (2010 - 2016)



What's happening to workers?



Workers (16-64) by occupation, Bilbao (2001 - 2015)

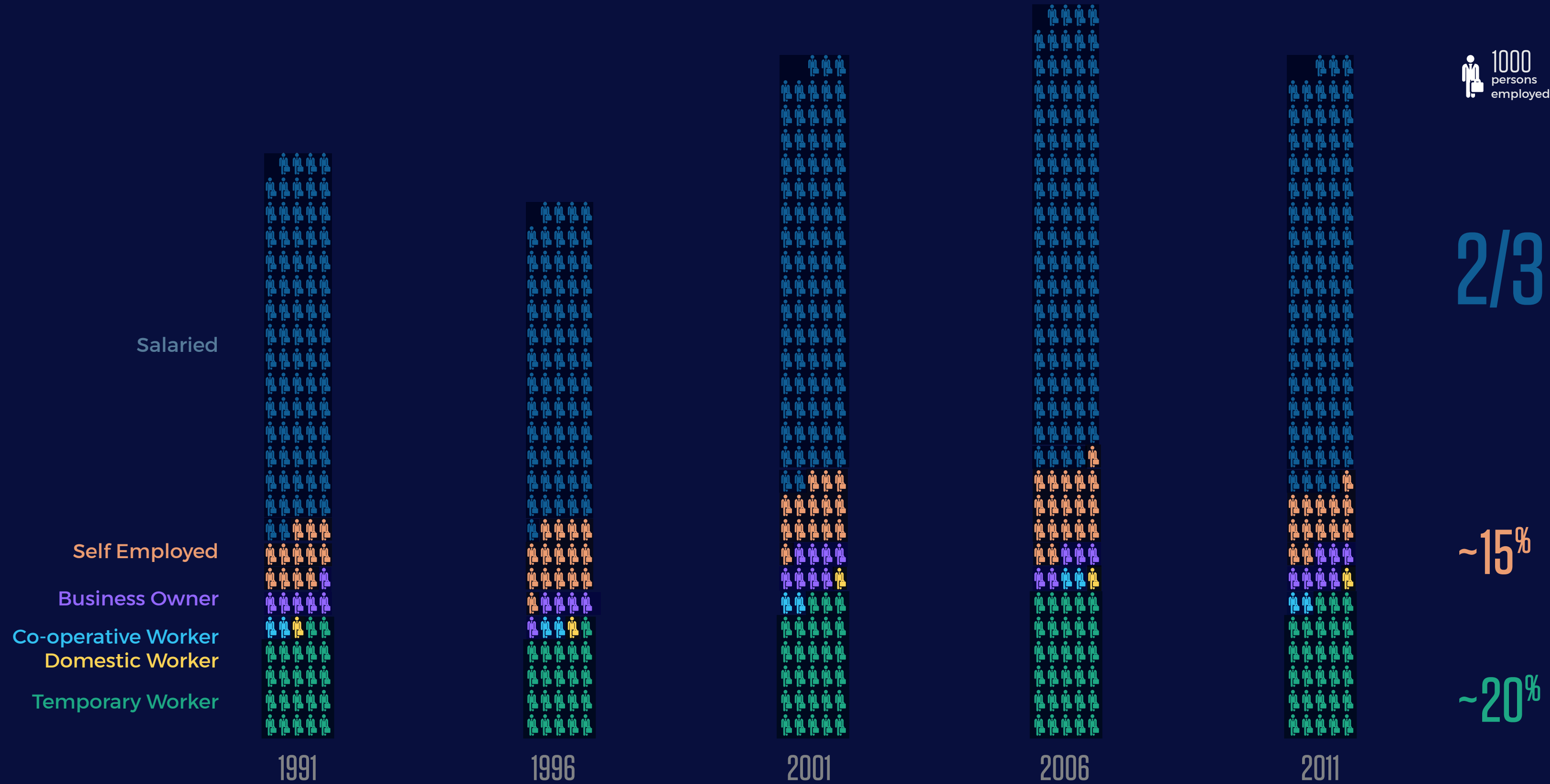


i Bilbao, like many Transatlantic cities, is witnessing the rise of “lovely and lousy jobs.” During the 2001-2015 period, the number of jobs in middle-class occupations declined, while the number of jobs for ‘technical professionals’ and ‘sales personnel’ increased.

What's happening to workers?



Nature of Work, Bilbao (1991 - 2011)



i One of Bilbao's chronic work quality concerns is the prevalence of temporary work. Even during the economic renaissance, the share of the labor force in temporary work remained about 1 in 5.

What's happening to workers?



Euros

Real per capita income, Bilbao (1996 - 2012)

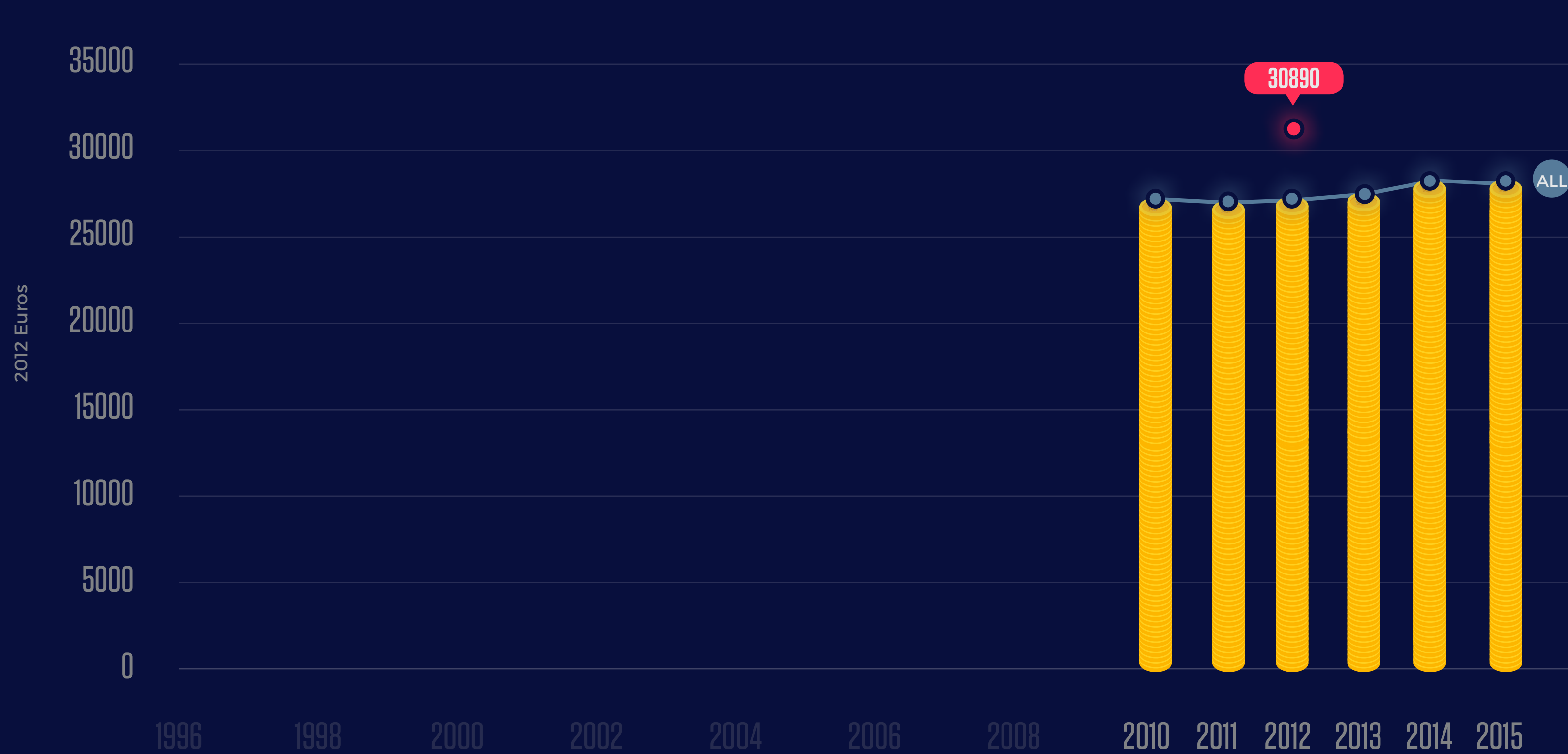
i Real per capita income in Bilbao began to decline in 2008.



What's happening to workers?



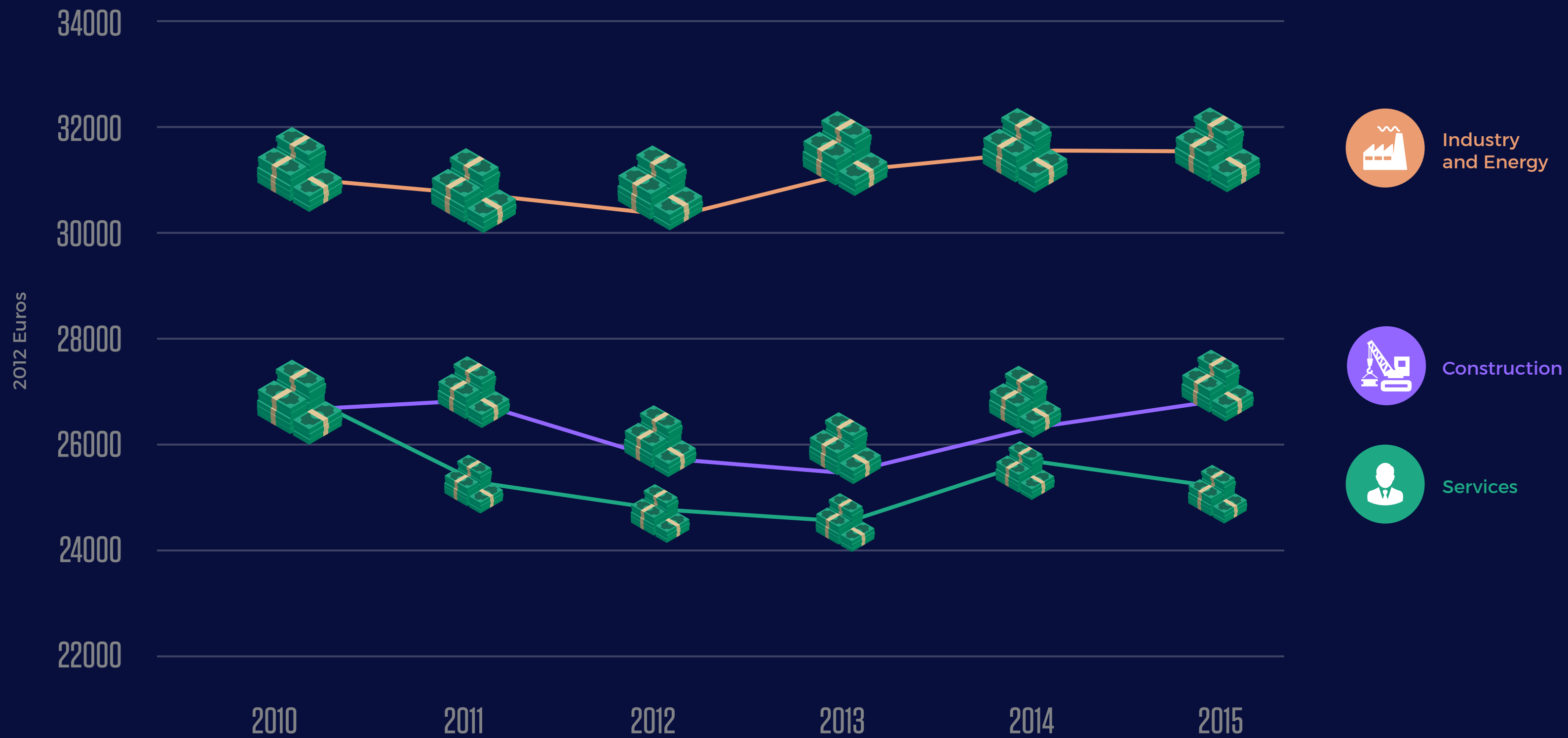
Average Real Annual Earnings Per Worker, Basque Country Region (2010 - 2015)



What's happening to workers?



Average Real Annual Earnings Per Worker, Basque Country Region (2010 - 2015)



i The service sector, which employs the majority of workers in Bilbao and the Basque Country more broadly, saw a decline in real earnings in 2015.

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STRENGTHENING TRANSATLANTIC COOPERATION

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