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Gentrification as Injustice: A Relational Egalitarian Approach to Urban Housing

Tyler Zimmer

This paper focuses on the nature of the landlord/tenant relationship in uncontrolled rental housing markets. I argue that relational egalitarianism--the view that our social and political relations to one another ought not involve arbitrary power asymmetries--gives us moral reasons to criticize this relationship. In particular, I try to show that landlord/tenant relationships involve objectionable forms of economic subordination--more specifically, relations that involve exploitation and marginalization--as well as political inequality. I conclude the paper with some reflections on policy solutions to the problems I identify. Contrary to the consensus among most economists and government officials at least, not to mention landlords, I maintain that rent control should be seen a legitimate and effective tool--among others--for curbing the power of landlords and thereby protecting tenants.

Introduction

Rents in large U.S. cities are skyrocketing to unprecedented heights, leading many commentators to speak of a “rental crisis” for tenants. In San Francisco--one of the nation’s most expensive rental markets--total rent recently reached \$12.8 billion, up more than 13.5 percent from the previous year. Average rent recently hit a record high of \$3,458 a month.¹ In New York City, the figures are no less alarming. Minimum wage earners would have to work more than 98 hours per

¹ See Pender (“Average S.F. Rent”).

week in order to afford the average market rate one-bedroom apartment.² In Manhattan's West Village, small businesses, too, are being displaced at an alarming rate due to sharp rent increases, some surging from \$16,000/month to \$42,000/month in a single year.³ In Chicago, more than half of renters are paying more than 30 percent of their income for housing.⁴ In all cases, there is every reason to think rents will continue to rise sharply in the coming years. The trends are similar in countless cities across the country.⁵ And, of course, with soaring rental prices comes large-scale displacement of entire communities of tenants who cannot afford the new, drastically more expensive status quo.⁶

In what follows, I argue that this state of affairs represents a form of injustice. However, unlike many treatments of this matter, my argument begins by acknowledging that there is much more at stake here than the affordability of housing per se or the amount of income a tenant might be compelled to relinquish to the landlord. Whereas much of the debate about housing

² See National Low Housing Income Coalition ([Out of Reach](#)).

³ See Wu ("Why Are There So Many Shuttered Storefronts?")

⁴ See Newman ("Half of Chicago Renters").

⁵ For corroborating data and for a look at broader trends, see Sinai ("Rental Affordability Crisis"); and Lightfeld ("State of New York Rental Affordability"). Also see local market reports by Zillow.com.

⁶ This need not, but often does, involve the large-scale displacement of immigrants and racial minorities. On how this is playing out in the Bay Area, see Ling ("Black and Latino Displacement"). For information on how similar dynamics are at work in Chicago's historically Mexican neighborhood, Pilsen, see Lulay ("Pilsen Gets Whiter").

markets focuses on how specific policies affect overall welfare or the distribution of income--both important issues, to be sure--this paper instead focuses on the nature of the landlord/tenant relationship in uncontrolled rental markets. I argue that relational egalitarianism--the view that our social and political relations to one another ought not involve arbitrary power asymmetries--gives us moral reasons to criticize this relationship. In particular, I try to show that landlord/tenant relationships involve objectionable forms of economic subordination--more specifically, relations that involve exploitation and marginalization--as well as political inequality. These three inegalitarian features--economic exploitation, marginalization, and political subordination--form the basis of three logically distinct moral criticisms of the landlord/tenant relationship, and I explore each of them separately and at length in what follows.⁷ For the sake of precision and specificity, I will restrict the geographical scope of the argument in this paper to a handful of sufficiently large and dense urban centers in the

⁷ To clarify: the three criticisms are logically independent in the sense that a relation could be exploitative but not marginalizing or politically subordinating, marginalizing but not exploitative or politically subordinating, and so on. There are numerous ways in which any given relation could be inegalitarian, and if relational egalitarianism is true, therefore unjust. It remains true, however, that the moral arguments advanced here rely on a shared normative framework, relational egalitarianism, whereby a relation is unjust in virtue of containing within it some form of social domination--an asymmetry whereby one party is subject to the arbitrary power of another.

United States where renting is extremely common: New York City, Chicago, and the San Francisco Bay Area.⁸

I conclude the paper with some reflections on policy solutions to the problems I identify. Contrary to the consensus among most economists and government officials at least, not to mention landlords, I maintain that rent control should be seen a legitimate and effective tool--among others--for curbing the power of landlords and thereby protecting tenants. I do not claim that is the only viable means of accomplishing this aim--and still less do I claim that it is the uniquely best policy for doing so in every rental housing market.⁹ I do claim, however, that it

⁸ In making this scope restriction, however, I don't thereby mean to suggest that the argument here does not apply more broadly--I regard this as an open question.

⁹ There are a number of different policy strategies one might adopt to try to deal with the moral problems I examine in this paper. In a sense, the most flat-footed solution to the injustices built into the landlord/tenant relationship would be to abolish it entirely. Timothy Brennan, for example, suggests that some form of public ownership of all relatively fixed assets, such as land and buildings, could be the only normatively acceptable way of thinking about the matter--though he does acknowledge that "if this is politically untenable or ethically impermissible as a confiscation, compromise policies may be required." See Brennan ("Market Failure," 79). This strikes me as an understatement--compromise policies, as he calls them, are obviously needed in the short run if not indefinitely. Examples of such policies might include increasing the supply of housing stock directly (building public housing) or indirectly (stimulating private investment), devising ways of enabling tenants to cooperatively own and manage their own buildings, giving vouchers or subsidies to tenants to enable them to avoid

can act as an effective counterweight in the here and now to economically inegalitarian forces at work in uncontrolled rental markets--and, by democratizing the questions of housing and membership, it can promote greater political equality among city residents. If successful, then, the argument will have shown both that the landlord/tenant relationship has certain constitutive inegalitarian features and that rent control--in conjunction with a handful of related policies--can play an effective role in remedying these injustices in the cities I named above.

Relational Egalitarianism

Since the argument that follows uses a relational egalitarian framework to analyze the character of landlord/tenant relationships, a few words about that framework are necessary. Egalitarians are distinguished by their emphasis on the importance of equality in moral and political matters. For the relational egalitarian, however, equality is defined as a specific kind of relationship

being displaced, and so on. Which bundle of policies applies best to any given situation will be context-sensitive, but I want to stress that there are a few unique advantages to rent control that other methods appear to lack. Given that the problem I highlight isn't rental unaffordability per se, means of increasing the overall share of affordable properties in a given city may not actually prevent some of the injustices involved in gentrification at all. For example, suppose that you are displaced from a particular district or neighborhood because of soaring rental costs, but other affordable options in other parts of the city are available--this is better than nothing, to be sure, but it doesn't change the fact that you are being forcibly removed from a community that means a great deal to you. I examine this matter more, later in the paper. I am grateful to an anonymous reviewer at Public Affairs Quarterly for pushing me to think more about this question.

among persons rather than a specific distribution of goods.¹⁰ Equality, in this relational sense, is counterposed to relations of domination. The leading thought is that I fail to relate to you as an equal if I stand above you and treat you as a mere object or tool for achieving my ends. In cases such as this, I am situated in such a way that I can exercise arbitrary power over you--power you have neither authorized, nor freely endorsed--in order to get you to serve me. In such a relationship, my rational decision-making powers and ability to make valid claims are acknowledged, but yours are not. By dominating you in this way, I regard myself as an agent with legitimate aims but relate to you as little more than a stepping-stone on the path to satisfying my own goals. In this case, we relate neither as peers nor as partners--you are my subordinate. This dynamic is operative in paradigmatically unequal social relationships (such as we might find under regimes of slavery or serfdom), but it can also be observed in a range of more familiar cases as well--indeed, our task in this paper is to see whether the landlord/tenant relationship in uncontrolled rental markets exhibits any of these features.

Succinctly put, relational egalitarians are against the domination of one person (or group) by another. Instead, they advocate social and political relationships that permit all to look one another in the eye as peers and participate as full partners in ongoing public processes of cooperation and self-governance.¹¹ Thus the primary concern of the relational egalitarian is not,

¹⁰ Relational egalitarianism began to coalesce as a coherent framework as criticisms of “luck egalitarianism” began to accumulate in the early 2000s. Arguably, much of this research program began with Anderson, “What Is the Point of Equality?” For a representative sample of recent work on this topic, see Fourie and Schuppert ([Social Equality](#)).

¹¹ See Philip Pettit’s “eyeball test” ([On the People’s Terms](#), 47).

who gets what?, but, what are our basic terms of association and who decides? The primary aim of relational egalitarianism is, as Nancy Fraser puts it, “participatory parity” in public life, not that everyone possesses equal quantities of privately consumed goods. So, if some have more wealth or property than others, that is of secondary importance to the more fundamental question of what social and political relationships should be like.

This, however, does not entail that relational egalitarians are indifferent to how property is distributed across individuals. Relational egalitarians can criticize particular distributions of property for at least two reasons: (1) because a distribution comes about through a social process involving inequalitarian relationships, or (2) because a distributive outcome--regardless of how it arose--undermines the equality of ongoing relationships among persons. Both classes of judgments derive from a common core--opposition to relationships involving domination. The first casts suspicion on the “fruits” of domination, whereas the second regards any distributive outcome that could serve as a basis for domination as unacceptable. The first--call them social process constraints--encourage us to tether our distributive judgments to the social processes that produce distributions in the first place. The second--call them outcome constraints--require that we scrutinize distributive outcomes, regardless of how they came about, to see whether or not they facilitate relational inequalities.

It would be an interesting project to look closely at the distribution of ownership in urban housing markets over time in order to determine the extent to which their development has been impacted by relations of domination. As is well known, the history of urban housing in the United States is rife with injustice, ranging from racist discrimination to policies designed to

displace poor tenants to enable land grabs by wealthy developers.¹² A close historical examination of these injustices would undoubtedly lead us to conclude that the status quo should be changed in significant respects. But I will not examine this matter any further here, important though it is. Instead, for reasons of space and clarity, I will focus exclusively on the grounds that outcome constraints provide us for criticizing landlord/tenant relationships. In particular, I will argue that the landlord/tenant relationship in urban rental markets conduces to unequal relationships in three important senses. For purposes of exposition, I will rely in what follows on a somewhat artificial distinction between the economic and the political, with the former referring to purely economic market transactions and the latter referring to decision-making power when public policy is at stake. I begin by analyzing the economic dimensions of landlord/tenant relations, followed by a detailed analysis of their political dimensions.

Landlord/Tenant Relationships: Economic Dimensions

In economic terms, the landlord/tenant relationship is a market exchange in which the tenant exchanges money in return for the use of housing stock owned by the landlord. Now, given how common this economic transaction is, it would be understandable to assume that it must have a strong *prima facie* claim to being ethically unproblematic. After all, provided that she meet her contractual obligations to the tenant, doesn't the landlord deserve to keep all of what the market enables her to collect? As we'll see below, however, the appeal of this idea begins to erode when

¹² For an overview, see Massey and Denton (*American Apartheid*). For a detailed survey of how these dynamics played out in Chicago in the twentieth century, see Satter (*Family Properties*).

we examine the nature of the transaction more closely, and the unequal power relations that it is premised upon.

The first thing to note is that the rental income collected by the landlord is capital income, not labor income.¹³ In other words, rental income is not collected in virtue of labor performed, but in virtue of ownership--just as is true of other forms of capital income such as interest, dividends, royalties, and the like.¹⁴ That is to say, the landlord need not engage in any productive activity or do anything of service to the tenant in order to collect rent. To be sure, she

¹³ This is a standard distinction in economics and finance. For more on the distinction, see Piketty (Capital in the Twenty-First Century, 45-52); and Piketty (Economics of Inequality, 26-64). Typically, economists who study economic disparities in income divide their subject matter into two sub-areas: capital/labor income inequality and labor income inequality (wage differentials). We are viewing our primary case in this paper--the landlord/tenant relation--as a capital/labor case where one party earns from owning and the other earns from working--although our interest is not in the distribution of income between the two parties per se, but in the economic and political power dynamics at play. However, I stress that in making this distinction and identifying rent as capital income, we haven't yet settled any of the normative issues at stake--it remains to be shown, and indeed I spend the next section trying to show, that the economic relation between tenant and landlord is exploitative.

¹⁴ If I inherit GM stock, it's not the case that someone from GM will call me every quarter to make sure that I've engaged in productive activity that contributes to the company--it is my legally enforced ownership of the shares, and nothing else, that entitles me to the dividends. The same is true if I inherit rental properties.

must pay building maintenance costs, but she can use her gross rental income to pay others to do whatever needs doing (maintain the property, fix things, etc.) and still have plenty left over for herself.¹⁵ In fact, the primary “contribution” of the landlord in the transaction is to grant the tenant permission to use already existing housing stock on a city lot to which the landlord has a legally-enforced title--and, as I just made clear, it won’t stop the landlord from collecting rent on her asset if it turns out she doesn’t do anything to maintain the property (but instead pays others to do so from the gross rent she collects).¹⁶ Whether she engages in any productive labor in the

¹⁵ Needless to say, the assumption that landlords consistently cover maintenance costs does not always hold in practice. I sidestep this complication, however, and for present purposes suppose that the assumption is true.

¹⁶ Technically, all the landlord does qua landlord is grant permission for tenants to use something that other people built and that others now maintain, and granting permission is not a productive activity. Certainly granting permission it is not on par with doing the work of maintaining a building, fixing things when they break, shoveling snow and salting sidewalks, and so on. It’s not on par with those activities because the building would not be useful to tenants without these activities, whereas the landlord’s granting permission is only necessary on the condition that her legal property rights are coercively enforced by the state. We can imagine a world in which the legal titles of landlords were not respected and people used their buildings without permission--but we cannot imagine a world in which no one builds or maintains rental properties in which tenants still have a place to live. The point here is to highlight the power differentials between the tenant and landlord. As we’ll see, the argument for the charge of exploitation is that

service of the tenant is neither here nor there--what matters is that she holds the legal title to the property and, accordingly, to whatever market rent it commands. This, indeed, is the whole point of acquiring income-generating capital assets in the first place. As economist Thomas Piketty puts it, “the advantage of owning things is that one can continue to consume and accumulate without having to work, or at any rate consume and accumulate more than one could produce on one’s own.”¹⁷

Whereas the landlord derives income from ownership, most tenants earn their income exclusively from working. To be sure, this is not true of all tenants, but it is true of most--I’ll restrict my discussion in what follows only to tenants for whom this is true. Thus we can view a fraction of the average tenant’s working day as covering the costs of rent. This means, then, that a percentage of the time the tenant spends working--expending her energies in a way she would not otherwise do--in an average week is devoted to sustaining the rental income reaped by her landlord. Were her rent to increase but her wages remain constant, she would need to work longer in order to retain use of her existing rental housing--and, of course, the extra income earned by working longer hours in this case would go to the landlord.

As we’ve seen, the typical landlord is in a different economic position. Landlords, as such, need not devote any time to working in order to receive income from owning rental properties since, in principle, they could hire others to do any necessary work and still earn a profit. Landlords are not obligated to expend their energies working to sustain the tenant, but the

the latter is able to use her wealth as leverage in the uncontrolled rental market to get the tenant to part with, in an unreciprocated way, some of the fruits of her labor.

¹⁷ Piketty, Capital in the Twenty-First Century, 121.

tenant is required to expend her energies laboring in order to sustain the landlord. Indeed, as we'll see shortly, I will try to show that this is a case of unequal exchange, that is, "an unreciprocated net transfer of goods or labor time from one party to another."¹⁸ Conceding that not all tenant/landlord relations fit this bill does not mean that this is an inaccurate generalization.¹⁹

¹⁸ Vrousalis, "Exploitation, Vulnerability," 138.

¹⁹ The generalization is useful and indeed is true of owners of the majority of rental housing stock. But it is also true that the class of landlords is far from homogenous and many owners of rental property do not fit the description above. Some small-scale landlords, for instance, own a building with two residential units and reside in one and rent the other to offset the costs of their mortgage and property taxes--in this case, rental income generated purely from ownership may not even exceed maintenance costs for the property. Some landlords might be unable--because of a physical disability, say--to earn income from working. Any defensible rent control ordinance must take account of these differences and avoid subjecting these small-scale landlords to laws designed primarily to regulate the conduct of large-scale landlords who more closely approximate the ideal type put forward above. As successful rent control ordinances in Canada and Western Europe demonstrate, these differences can be accommodated by crafting rent regulations in such a way as to make exceptions for those who don't fit the ideal-typical mold.

In what follows I shall take the above as an ideal type--in the Weberian sense--and offer a normative analysis of its structure.²⁰ In particular I advance two economic arguments that aim to show that the ideal type involves relational inequality. I'll argue first that ideal-typical landlord/tenant relationships are exploitative. Here, I follow Nicholas Vrousalis, who defines exploitation as a form of social domination according to which A instrumentalizes B's vulnerability for A's benefit. Second, I argue that the structure of landlord/tenant relations render tenants in gentrifying areas liable to suffer marginalization. That is, tenants in gentrifying (or soon-to-be gentrifying) areas are likely to be viewed by landlords, developers, and new investors as little more than impediments to increasing their profits. In these cases, tenants are liable to be treated as mere obstacles to be displaced and removed--pushed to the margins--as quickly as possible. These normative arguments apply to the ideal-typical case I outlined above--we're assuming, in other words, that landlords are "pure landlords" and tenants are "pure tenants" and that both contract in an unregulated, uncontrolled rental market. To the extent that specific real-life examples depart from this ideal type, the analysis I offer would need to be adjusted.²¹

²⁰ Notice that an "ideal type" for Weber does not refer to anything morally or politically ideal--it is merely a simplifying abstraction that permits us to make useful generalizations in the course of analyzing complex social phenomena.

²¹ In other words, the normative argument here holds only on the condition that the landlord/tenant relationship approximates the ideal type described above. That doesn't entail that rent control is unjust if an actual relationship fails to track this ideal type--it simply means that a different normative analysis would be required.

Exploitation

I now turn to the matter of exploitation. Before examining the landlord/tenant relationship in particular, I must first say a bit more about exploitation in general. In a recent article, Nicholas Vrousalis argues that I exploit you just in case I instrumentalize your vulnerability in order to extract a net benefit for myself. Importantly, Vrousalis limits this definition to economic exploitation, since the only way to eliminate all exploitation would be to eliminate all forms of vulnerability, which, as he rightly points out, would be neither possible nor desirable. By “economic” he means “related to the basic structure of society, that is, to its fundamental, publicly observable, institutional features.”²² Thus the precise form of exploitation we’re interested in identifying in tenant/landlord relations is as follows: A economically exploits B if and only if A and B are embedded in a systematic relationship in which A instrumentalizes B’s economic vulnerability to extract a net benefit. It is clear that this is a case of relational inequality--when I exploit you, I do not relate to you as a peer or equal partner. Instead, I take advantage of a power asymmetry between us so I can use you as a mere means for my enrichment. In particular, societies that institutionalize and rely fundamentally upon exploitation fail to satisfy a basic egalitarian desideratum: that the basic structure of social institutions ought to facilitate a fair system of social cooperation for mutual benefit among equal citizens. We do not cooperate as equals if you have the power to compel me to toil for your benefit whereas I have no other reasonable option but to submit. If I leverage my position of power over you to wrest an unreciprocated transfer of goods or labor time from you, then in an important sense, I

²² Vrousalis, “Exploitation, Vulnerability,” 136.

violate the cooperative spirit of the relational egalitarian project and, accordingly, we should view such arrangement as presumptively unjust.

In what follows, I'll make use of Vrousalis's specific conception of exploitation to analyze tenant/landlord relations, but other popular accounts can be substituted for this conception without any substantial changes to the argument advanced here--in other words, one need not be convinced of Vrousalis's particular analysis of exploitation to be moved by the argument that follows.²³ Before I continue, however, one further expository point must be made. When I say B's vulnerability is being instrumentalized, I might mean that she is vulnerable in one of two general senses. She might be absolutely vulnerable--that is, desperate because she is lacking basic goods--or she might be relationally vulnerable--that is, vulnerable to the predations of a dominant person (or group) who has the discretionary power to withhold access to

²³ Take, for example, Mikhail Valdman's conception of exploitation, which, unlike that of Vrousalis, defines exploitation as the extraction of "excessive benefits" rather than any net benefit whatsoever. See Valdman ("Theory of Wrongful Exploitation"). Or consider, as Alan Wertheimer has argued, the view that exploitation occurs when A takes advantage of B in a way that is unfair to B. See Wertheimer (Exploitation). I find Vrousalis's view more convincing than these alternatives, but that is neither here nor there so far as this paper is concerned. Either of these alternatives to Vrousalis's position would yield the same result in my argument. I'm grateful to an anonymous reviewer at Public Affairs Quarterly for challenging me to think more about the extent to which the idea of extracting a net benefit is essential to my argument about exploitation.

constituents of her well-being.²⁴ As we'll see, it is this latter form of vulnerability that is most important in the case of landlord/tenant relations. More specifically, however, it is economic forms of relational vulnerability that are most significant--in other words, forms of vulnerability according to which A has economic power over B because A enjoys effective ownership of certain resources--land in our case--that B needs (in order to flourish) but lacks. To borrow an illustration from Vrousalis that illustrates how this form of vulnerability works, say that "A owns a water-producing well. . . . If A's ownership is fully enforced, B needs water, and B has no independent access to water, then B is economically vulnerable to A." In what follows, I'll argue that tenants are principally vulnerable in this specifically economic, relational sense.²⁵

²⁴ For the purposes of the present paper, this formulation will suffice. But it bears noting that in a work in progress, I argue that we should modify this aspect of Vrousalis's approach as well, by removing the reference to well-being. I argue that we are relationally vulnerable to suffering exploitation even if it is not the case that someone holds the keys to something that will enable us to flourish. For us to be vulnerable, all that need occur is that a person stands above us, able to wield some form of arbitrary power over us. Suppose, for instance, that I was addicted to a drug that reduced my well-being and you had the discretionary power to withhold my next fix. You might still exploit me in this case even though the power you wield over me is not that of withholding an objective constituent of my well-being.

²⁵ But aren't would-be tenants vulnerable in the absolute sense if they lack housing? This will be true of those who are barred access, by market forces, from any housing whatsoever. But most prospective tenants in rental markets face a choice not between homelessness and tenancy, but

How is the tenant relationally vulnerable to the landlord? The tenant in the market for rental housing is typically under compulsion to quickly find a place to live. And, of course, housing is a basic constituent of one's well-being if anything is--indeed it should be seen as an example of what John Rawls would have called a "primary good."²⁶ As Anna Stilz rightly points out, "occupancy of a particular place is of central importance for an individual's life-plans and projects."²⁷ What's more, residing in a particular district or neighborhood is often tied up with economic, cultural, and political membership in particular local communities as well as with one's sense of home and, indeed, with one's very identity.²⁸ It's not simply a matter of whether the tenant has a place to live--but where she can live and who has the authority to decide. Thus there is a lot at stake for the tenant teetering on the edge of being priced out of her home and

between tenancy in a particular community versus tenancy somewhere else (perhaps in a separate district, city, or state).

²⁶ Social primary goods refer to socially produced goods that any rational person can be presumed to want, no matter what else it is that they might want. They are "all purpose means" that everyone needs in order to pursue whatever rational life plans they might individually endorse. Rawls does not explicitly mention housing, but his discussion does speak of wealth as well as the social bases of self-respect--both of which have intimate connections with housing. For more on social primary goods, see Rawls (Theory of Justice, 54-55).

²⁷ Stilz, "Occupancy Rights," 334.

²⁸ See Radin ("Residential Rent Control") for an extended defense of this point. One need not accept her entire argument to find in her article a convincing case of this specific point about residency and identity.

community. This is an important sense in which the landlord/tenant transaction is different from other more run-of-the-mill market exchanges between buyers and sellers of ordinary commodities.

Contrast the situation of the tenant with the predicament of the landlord who possesses the power to withhold these key constituents of the tenant's well-being. The landlord--according to our ideal type, at least--is not under any compulsion to sign a lease quickly or else forgo a primary good or basic constituent of her well-being. Nor is the landlord's membership in any particular community tied up with her ownership of particular parcels of land or her status as the recipient of rents from tenants living in a particular area. Of course, it's possible that the landlord's identity might be partially bound up with her status as landlord, but this is quite different from the situation of the tenant. The tenant's identity comes into play only insofar as her residence in a particular district or neighborhood affects her sense of home and shapes her interactions with others. The tenant's identity is not implicated because she is a tenant, but because her tenancy enables her to live in a particular community. The case of the landlord, then, is not analogous vis-à-vis the question of identity and membership.

This has important implications. First, it means that the landlord can easily walk away from any particular market negotiation with an existing or prospective tenant, because the landlord's identity, membership, and well-being are not immediately or directly at stake. What's more, many landlords can afford to allow a rental unit to sit unused for months or more, whereas the tenant cannot reasonably forgo housing for any length of time. Of course, the prospective tenant does reserve the formal right to walk away from any particular market interaction with a would-be landlord, but her leeway in being able to effectively do this will depend heavily on the

supply of affordable rental housing options available, among other factors.²⁹ As rents climb ever higher, the options decrease and the tenant's bargaining power--and hence, her ability to wield the threat of exit from the transaction--is weakened.³⁰ The more concentrated rental housing ownership is, moreover, the more vulnerable individual tenants will be in the marketplace.³¹ Indeed, landlords are aware of these dynamics and are known to use them as bargaining chips in market interactions with tenants. It is standard practice for many landlords in uncontrolled

²⁹ Another relevant consideration is the extent to which the tenant regards her residence in this particular apartment as valuable. Depending on the circumstances, this might raise exit costs for the tenant considerably.

³⁰ The reader will note that a variety of factors will increase the tenant's vulnerability, particularly structural factors--such as race, gender, or citizenship status--that constrict the options the tenant has (and increase the "exit costs" of withdrawing from the transaction with the landlord). Hallie Liberto gives an interesting case in a recent paper wherein a poor college student is exploited by his landlord because the latter is able to prey upon (and profit from) his vulnerabilities qua young, uninformed, poor college students. This illustrates the point I'm making here, in that the increased vulnerability of the tenant renders her even more exposed to exploitation than the ideal-typical case I present where these other important factors--especially race and gender--are not at work. See Liberto ("Exploitation and the Vulnerability Clause," 623-24).

³¹ See Rice ("Logan Square Tenants Protest") for a concrete case where highly concentrated ownership of rental properties in a Chicago neighborhood (Logan Square) has substantially increased the vulnerability of individual tenants to both exploitation and marginalization.

markets to raise rent year after year--even when no improvements to the property have been made,³² and even when the hike isn't justified by keeping pace with inflation--simply because they can bet on the fact that the longer a tenant resides in an apartment, the more she is likely to value continued residence there. The characteristics of the tenant/landlord relationship examined above demonstrate the ways in which the tenant is relationally vulnerable to--and in some sense, dependent upon--the landlord (or perhaps more precisely, the class of landlords in her community). What we need to show now, in order to demonstrate the exploitative character of this interaction, is (1) that landlords instrumentalize this vulnerability in order to (2) extract a net benefit.

Can the landlord be said to instrumentalize the tenant's vulnerability? I begin by noting that it is precisely in virtue of this vulnerability that the landlord is able to extract the market rent from the tenant in the first place. Landlords as a class can charge you rent for the use of something you need to live, only on the condition that your access to it is blocked unless you transact with them. When a landlord compels a tenant to pay rent, she is cashing in on this vulnerability. It's obvious that instrumentalization occurs in Vrousalis's case involving the owner of the water well--so long as the well owner's property rights are fully enforced, the person with no independent access to water is at the owner's mercy and hence, is relationally vulnerable to her. Any profits the owner collects--profits being value extracted above and beyond what's needed to maintain the well and cover costs--are collected precisely by seizing upon the non-owner's vulnerability. By analogy, the same is true of ideal-typical tenants and landlords in uncontrolled rental markets. Access to housing, as I argued above, is a basic constituent of the

³² Indeed, these rent increases are often made even as the condition of the property deteriorates.

tenant's well-being. If the ownership rights of the class of landlords are fully enforced--if, that is, squatting is coercively prohibited by the state--then the tenant is at the mercy of the class of landlords to get access to a basic constituent of her well-being. For most landlords, the goal of instrumentalizing this vulnerability to extract profit is the primary motivation for acquiring rental properties in the first place.

As further evidence that landlords in uncontrolled markets instrumentalize this vulnerability, we note that the amount of rent that can be extracted will depend, among other things, on the extent of the tenant's relational vulnerability. Part of this is built into the structure of uncontrolled rental markets themselves: the scarcer affordable housing becomes, the more vulnerable the tenant is and the greater the proportion of income she can be compelled to relinquish to the landlord. On the other hand, if the tenant's relational vulnerability (the cost of exiting the transaction with the landlord) were reduced, for example, we can expect (other things equal) the landlord's bargaining power to decrease and for rents to decrease as well. The extent of the relational vulnerability of tenants matters to profit-seeking landlords because it affects the amount of rent they can extract. This would not be the case if landlords didn't respond to--and instrumentalize--the economic vulnerability of tenants.

Does the landlord extract a net benefit from this transaction? That the answer is yes follows more or less analytically from the definitions of rent and profit presented above--the landlord's profit is whatever she reaps over and above the cost of reproducing her income-generating asset (housing stock). But there's more to say about this net benefit that is germane to our discussion: it also seems true that the transaction involves appropriation--that is,

“an unreciprocated net transfer of goods or labor time from one party to another.”³³ If the tenant and landlord reciprocally interact and exchange equivalents, there is no appropriation. But that is not how things work in the ideal typical case--nor is this how things work in rental markets in large US cities. The rapid rate of increase in rental prices we’ve seen in the last decade has far outpaced maintenance and upkeep costs. It’s not as if there has been a one-to-one relationship between rent increases and improvements to rental properties. Many tenants can attest to having to relinquish more and more of their hard-earned income to landlords in order to retain access to the same unimproved (or in some cases deteriorating) housing stock. It stands to reason that tenants would not submit to this unequal exchange--to allowing the landlord to appropriate some of the fruits of their labor--unless they were economically vulnerable in some way or another.

The point about the fruits of the labor of the tenant requires elaboration. Since the ideal typical landlord earns rental income from owning rather than working, and since the converse is true for the ideal typical tenant, the extraction of rent means that, in effect, the tenant expends a certain number of hours a week toiling solely in order to enrich her landlord. In other words, the tenant expends some quantity of her powers and energies on a regular basis, increasing the wealth of the landlord, but the converse is false.³⁴ Relationships of this kind involve the key

³³ Vrousalis, “Exploitation, Vulnerability,” 138.

³⁴ Notice that this in no way implies or relies upon the “labor theory of value.” The claim here is normative. It has to do primarily with the character of the social relationship between tenant and landlord: if I am a tenant, I have no choice but to do something--expend my energies and time doing something I wouldn’t otherwise be inclined to do--for the landlord’s benefit. But the landlord need not do anything--she need not expend any of her energies or any of her time--for

elements of exploitation: a power asymmetry regarding access to key resources that is put to use to facilitate an unreciprocated transfer of goods or labor time from tenant to landlord. This is not the sort of dynamic we expect to emerge from the interaction of peers or equal partners.

Now, some may have a hard time accepting that a landlord/tenant relationship that permits the landlord to profit in any way is therefore exploitative (and, for that reason, unjust). One might agree, for example, that exploitation involves taking advantage of the vulnerability of others, but may think that there only exists a genuine injustice when the size or value of the advantage reaped by the exploiter is sufficiently large. We might then draw a distinction between landlords who enrich themselves by squeezing as much profit as the market will bear from hundreds of rental properties, on the one hand, and those who live a comparatively modest life by owning their own residence and renting out extra rooms or units to supplement their income, on the other. The underlying idea would be that wrongful exploitation only occurs when the exploiter reaps unfair or excessive benefits from the exploited, where “excessive” can be defined in terms of the quantity amassed by the landlord, or in terms of the extent of the burden imposed

my benefit. This is especially clear when, as often happens, rent increases substantially but housing stock remains mostly unimproved. Here is a case where I, the tenant, am obliged to devote more of my goods or labor time to enriching the landlord even though she will have done no more than grant me permission to use her property, the same property that, only a year ago, would have been available to me in exchange for less of my goods or labor time. This evinces an unequal exchange, an unreciprocated transfer of goods or labor time.

on the tenant.³⁵ If we grant either of these modifications of our definition of exploitation, however, the result remains roughly the same: it will still turn out that a large number of existing landlord/tenant relations count as (wrongfully) exploitative. Surely the data discussed above about the meteoric rise of rents in New York, Chicago, and the Bay Area provide at least strong prima facie evidence of excessive accumulation of wealth by a small group of landlords at the expense of millions of tenants who are increasingly forced to part with a larger and larger share of their income to retain their housing.

Others will object to the argument here by arguing that landlord/tenant relations don't constitute exploitation since the prospective tenant in the marketplace is not being coerced to

³⁵ On the tenant end, the burden seems to become unacceptable or unfair when it commands greater than a certain percentage of the tenant's income. It is commonly advised that one spend no more--if one can help it!--than 30 percent of one's income in rent. The trouble with any sufficientarian argument is that it relies upon an act of line-drawing that invites the charge of arbitrariness, but it seems to me that rents cross a threshold of excess when they command a share of the tenant's income larger than 30 percent or 40 percent--and the bigger the share soaked up by rent above this threshold, the more excessive the rate becomes. On the landlord end, excessive or unfair rent might be defined in terms of absolute size of the rent collected (the diminishing marginal utility of money can serve as a guide here for determining where to draw the line) or in terms of its size relative to the income of the tenant. Still another way to gauge "excessive" would be in terms of the ratio of maintenance costs to profit. The idea in all three cases would be that the landlord in this latter case is gouging the tenant and using her as a mere means to accumulate excessive sums of wealth.

contract with any particular landlord. Since she is free to refuse the offer of any specific landlord, it seems reasonable to say that she has consented and thereby given her reflective endorsement to any lease she signs--and where there is consent and reflective endorsement, there doesn't seem to be exploitation. Three things may be said to dispatch this objection. First, as Vrousalis and others have shown, coercion is neither necessary nor sufficient for exploitation to occur.³⁶ Second, there are, in fact, many cases in which one wishes to continue to occupy one's home where the only way to do that is to continue contracting with a particular landlord. In this case, deciding to renew a lease versus moving and signing a new one with a different landlord in a different location are qualitatively different options. This produces relational vulnerability between the existing landlord and her tenant. But even setting such cases to one side, we can also point out that the tenant's lack of ownership of housing means that she is dependent upon--and more importantly, relationally vulnerable to--the class of landlords as a whole even if she is not thereby tethered to any one particular landlord.³⁷ It is, of course, true that the tenant could choose not to transact with a specific landlord or a specific set of landlords in a certain district or city. She could, for example, move away to a less expensive district, city, or state--or, provided she has the requisite funds, she could attempt to exit the rental market by seeking to purchase housing stock of her own. But this does not undermine our case. Here, we need simply to recall the points made above about the connections between residency in a particular urban community

³⁶ Vrousalis, "Exploitation, Vulnerability," 145-46; Roemer, Egalitarian Perspectives.

³⁷ I have in mind here a claim about landlords and tenants that is analogous to the argument made by G. A. Cohen vis-à-vis capitalists and workers in Cohen ("Structure of Proletarian Unfreedom").

and one's well-being and sense of home and identity. These are weighty considerations that make exit costs high for many tenants--and this, as I argued above, is what grounded our conclusion that the tenant is relationally vulnerable to the landlord in the first place.

Let us summarize the argument above. The relationship is exploitative because the landlord instrumentalizes the tenant's vulnerability in order to extract a net benefit. I say that the ideal typical tenant/landlord relationship is such that the tenant is relationally vulnerable to the landlord. This is so because the landlord enjoys effective control over certain resources--land in our case--that the tenant needs (in order to flourish) but lacks. The tenant is also vulnerable if her identity and membership in a particular community depend on her residing in a particular rental property or specific neighborhood, whereas this is not the case with the landlord who merely uses her property as an income-generating asset. There is much more at stake for the tenant than for the landlord, and this gives the latter substantial bargaining advantages in negotiations. I say that landlords instrumentalize this vulnerability because they make use of it in order to extract rent--and not just any rent, but the highest rent possible in any given context. This enables the landlord to appropriate the fruits of the tenant's labor, whereas the reverse is not the case. The extraction of rent involves an unreciprocated transfer of goods or labor time from tenant to landlord, since our ideal-typical tenant earns income from working, whereas the landlord accumulates income merely from owning (by extracting rent from the tenant). This involves an unacceptable form of relational inequality--and, accordingly, we have moral reasons to seek to either mitigate the damaging aspects of the relationship or to replace it entirely.

Marginalization

So much for exploitation. I now turn to the issue of marginalization. I'll argue that the ideal-typical landlord/tenant relationship renders the tenant vulnerable to marginalization, particularly in contexts where rents are rising rapidly across the board. By marginalization, I mean an unequal relationship according to which A keeps B on the "margins" and excluded from the "center"--where this metaphor can refer to a variety of economic and political asymmetries (although here our focus is economic). Generally speaking, the metaphor of being pushed to the margins refers to groups that are, as Iris Marion Young puts it, "expelled from useful participation in social life and thus potentially subjected to severe material deprivation and even extermination."³⁸ To be marginalized is, then, to not count, to not be someone who matters in a given arena.³⁹ It is, we might say, to go unrecognized or to be misrecognized by others--to be

³⁸ See Young, Justice and the Politics of Difference, 53.

³⁹ For purposes of exposition, it is useful to contrast marginalization with our earlier discussion of exploitation. In some respects, marginalization and exploitation are two different sides of the same coin. Exploitation involves instrumentalization whereby the exploited party is treated as a mere tool or object for use by another. In some circumstances, however, exploiting a group can unintentionally give it a potentially liberatory form of social power. The exploited have the power--by use of the strike weapon, say--to withhold their labor and thereby grind the exploiter's wealth accumulation to a halt. This strategic maneuver is not available to marginalized groups, however. Whereas exploiters rely on the exploited to extract wealth (or other benefits), dominant groups are not similarly reliant upon the marginalized. If the exploited are viewed by their superiors as useful instruments for self-enrichment, the marginalized are viewed as useless or invisible at best, or at worst, as mere obstacles to be displaced and removed.

invisible or belittled when one ought to have standing as a full partner in some sphere of social life.⁴⁰

Marginalization is a key example of relational inequality. When I'm marginalized in a specific context, I cease to enjoy standing as a full partner, as a peer of my fellows in that arena. As an equal, I can expect forms of respect and recognition that I do not enjoy if I'm marginalized. As an equal, I can expect that my peers will see me as a being to whom some form of reasonable justification is owed when decisions about my interests are at stake. In particular, when I am an equal, I can expect to have a seat at the table when those decisions are being made. When I'm marginalized, in contrast, I am kept at arm's length while those permitted to enjoy full standing make authoritative, binding decisions without needing to consult me. Marginalization, then, is a form of subordination in which one is regarded as relatively unimportant, unauthoritative, and lacking the standing to make valid claims on others. This dynamic of subordination and exclusion can arise in a variety of contexts, but I am principally concerned here with how it arises in economic contexts. Let's apply this discussion, then, to the economic dimensions of (ideal-typical) landlord/tenant relations.

There are at least three ways in which uncontrolled rental markets can lead to the marginalization of tenants. First, because there is no ceiling on how high--or how quickly--rents can appreciate in uncontrolled housing markets, beneficial new investments in a neighborhood often have paradoxical consequences for tenants vulnerable to being priced out of their homes. The dynamic is a familiar one in urban communities in the United States today: a new business

⁴⁰ For more on the significance of recognition for egalitarianism, see Fraser (Fortunes of Feminism, 159-74).

opens--a new grocery store, say--that provides a generally desirable good or service and, for a time at least, virtually all residents benefit. Certainly, having a new grocery store nearby is better than living in a food desert, for all residents.⁴¹ But new investments of this kind also tend to cause property values and rents to rise--and this is more true, the more new investment pours in. The paradox, then, is this: working-class and poor tenants have a rational basis for feeling ambivalent about economic improvements to their neighborhood--indeed, in some cases, too many improvements (too much new investment) will actually represent a clear threat to their continued residency in the area. In short, uncontrolled rental markets create paradoxical situations where economic improvements can actually marginalize entire layers of residents by threatening their status as members in good standing in the community.

When a wave of new investment pours into a neighborhood, as I just discussed, this can have the paradoxical effect of both improving the area economically but also threatening the membership of existing residents.⁴² But there is an additional problem as well. As new investment builds and rents rise, new investors and some existing business owners will have reason to cater to the preferences not of existing residents, but of more wealthy residents who have yet to move into the district in large numbers. In other words, in a context where investment, rents, and property values are all steadily increasing, it makes good business sense

⁴¹ The U.S. Department of Agriculture (USDA) defines food deserts as geographical areas without access to fresh fruit, vegetables, and other healthy foods, due to a lack of grocery stores, farmers' markets, and so forth.

⁴² As an Onion article irreverently put it in a recent headline: "Neighborhood Starting to Get Too Safe for Family to Afford."

for business owners to bet on demographic changes and appeal to the (more expensive) preferences of more affluent future residents. Working-class tenants are then liable to find themselves in a position where businesses in the neighborhood progressively appeal less and less to their preferences. The result, then, is that one's desires for certain goods and services matter less and less to those making decisions about how to organize commerce in the neighborhood. This problem is especially acute in cases where racial or cultural minorities are the groups whose preferences are being progressively ignored.⁴³ In many cases, this will be not simply a matter of qualitatively different preferences, but of the mere ability to pay for the goods or services in

⁴³ We are focusing on the class dimensions of this process, but the racial and cultural dimensions are morally significant as well. Consider, then, a case where working-class African American communities who depend on, as Tommie Shelby describes it, a variety of culturally specific businesses and institutions, including “hair salons and barbershops, clothing stores, places of worship, restaurants, bookstores, cinemas, music and dance venues, art galleries and theaters, and retail outlets that sell black hair-care and skin-care products” (Shelby, “Integration, Inequality, and Imperatives,” 272). If soaring rents mean that a more affluent and, as is often the case, a more predominantly white set of new residents flood into the neighborhood, a predictable consequence will be the decline of many of these establishments. Thus even before residential rents become unaffordable and literally force previous tenants out, new investors and commercial landlords (and even some existing businesses) will have reason to cater less and less to the declining population of working-class black folks in the district. Similar dynamics can be observed when soaring rents disperse or displace establishments that cater to the culturally specific needs of immigrant communities.

question. Imagine, for example, a rapidly gentrifying neighborhood where expensive restaurant and high-end retail investment proliferates even though the existing residents cannot reasonably afford to patronize these businesses. The message this sends to many existing residents is clear: “We don’t want or need your business, and we’re betting on the fact that you’ll be priced out before long.” In short, the message is that certain groups don’t count, don’t matter as much as others, when it comes to deciding what changes will be made to the neighborhood. This is as clear an example of marginalization as we are likely to find.

Let’s examine one additional way in which tenants in uncontrolled housing markets are vulnerable to being marginalized economically. In a context where residential rents are increasing rapidly, ideal-typical landlords will be eager to find ways to lure as many relatively well-off tenants as possible into the areas where their properties are located. But, of course, there is a necessary pre-condition for luring these wealthy tenants to the area and reaping the higher rents they are capable of paying: the existing residents of the neighborhood who cannot afford higher rents will need to be displaced. In this context, profit-seeking landlords--as well as other groups who have an economic incentive to promote gentrification--will have reason to view working-class and poor tenants as mere obstacles to increased wealth accumulation. Importantly, this will apply not simply to a specific landlord’s current tenants, but indeed to the existing neighborhood population writ large, inasmuch as it is unable to afford substantial rent increases. For example, in Logan Square, a quickly gentrifying neighborhood on Chicago’s Northwest Side, many longtime residents in the area are being quickly displaced by annual rent increases of

\$600 or more.⁴⁴ The message here, whether stated explicitly or not, is “get out now and make room for wealthier tenants.”

In some cases, this can take on a xenophobic or racist character whereby anything linked to the perceived culture of groups deemed “obstacles to growth” is devalued and stigmatized. In cases such as this, the economic project of removing an existing population to make room for wealthier tenants who can afford higher rents can become bound up with projects of small-scale ethnic or racial cleansing. As Iris Marion Young puts it, in cases such as this, “banks, real estate firms, city officials, newspapers, and residents all promote an image of neighborhoods as places where only certain kinds of people belong and others do not, deeply reinforcing aversive racism and the mechanism by which some groups are constructed as the despised Other.”⁴⁵ These ideas about who belongs in certain spaces and who does not are then often enforced by police, and this exacerbates other forms of racial inequality and marginalization.

These racist dynamics are not necessary outcomes of the process of marginalization I’ve been discussing, but they are familiar in the United States given the various ways that urban geography and race are tightly linked.⁴⁶ The main point, however, is that uncontrolled rental markets often involve a number of economic pressures that encourage landlords to marginalize tenants whose residency in a district prevents higher rents from being reaped. And perhaps most importantly, the vagaries of market forces favor the efforts of the landlords and give the tenant

⁴⁴ Rice, “Logan Square Residents Protest.”

⁴⁵ Young, Justice and the Politics, 247.

⁴⁶ For classic studies of this phenomenon, see Massey and Denton (American Apartheid); and Wilson (Truly Disadvantaged).

little recourse to resist being pushed to the margins and undermined as a publicly recognized member in good standing of the neighborhood.

Landlord/Tenant Relationships: Political Dimensions

So much for the ways in which the landlord/tenant relation is economically unequal. I now turn to a critical examination of its political dimensions. Of course, it might appear at first glance that the landlord/tenant relation has little if any political relevance. After all, both tenant and landlord alike will (hopefully) have equal voting rights when it comes time to elect local representatives.⁴⁷

And, on the face of it, the political balance of power in city hall doesn't seem to have any obvious import when one is busy navigating the rental market in search of an apartment, or negotiating the terms of a lease with a landlord. In many respects, rental markets and local politics seem to be two very different matters best considered separately. Why, then, should we think there are any important political dimensions to the landlord/tenant relationship?

One political ramification of rising rents is displacement and, in some cases, total expulsion from specific political communities. In an uncontrolled rental market, landlords can raise rents as they see fit, even if this means displacing tenants that have invested years as well as large sums of energy and resources into the neighborhood and city they call home. Take San Francisco and Manhattan, for example, both of which are fast becoming, as radical geographer

⁴⁷ Note that this is not the case for cities, like Chicago, with large populations of undocumented immigrants. Many people with felonies on their record, too, are stripped of the franchise. But for the sake of simplicity, we assume in what follows that all landlords and tenants enjoy equal formal political rights to vote, hold office, and so on.

David Harvey describes it, “vast gated communities for the rich.”⁴⁸ In both cities, soaring rents are pricing out and expelling established working-class communities, forcing them to relocate elsewhere. Thus at this very moment, working-class tenants in San Francisco’s Mission District, Manhattan’s Harlem, or Chicago’s Pilsen cannot rest assured that their membership in their neighborhood or, indeed, in their city’s political community is secure.⁴⁹ On the contrary, their political status as full members is highly precarious and susceptible to being upended at any moment. But if one’s status as a member of a political community is liable to be voided by the latently coercive market forces driving up rents, there is no plausible sense in which one may be said to be the political peer of those who are secure or of those who stand to gain from this expulsion. As Michael Walzer puts it, “to uproot a community, to require large-scale migration, to deprive people of homes they have lived in for many years; these are political acts, and acts of a rather extreme sort.”⁵⁰

Consider the following illustrative example. Suppose you live in a city where rents are rising rapidly. As it is, you spend more than 40 percent of your income on rent in the least expensive district in the city, whereas you spent less than 25 percent only five years ago. You cannot afford to spend more than 45 percent of your income on rent, but if things continue as they’ve been going for the last decade, you will soon be priced out of the least expensive district of the city, leaving you no option but to move elsewhere--to a different metropolitan area entirely

⁴⁸ See Harvey (“Right to the City,” 38).

⁴⁹ In the Mission District, average rental prices climbed more than \$591 between 2011 and 2012--a 40 percent increase. See Elson (“Mapping Rental Prices”).

⁵⁰ Walzer, Spheres of Justice, 301.

or, more likely, to a less expensive suburb just outside of the city. But, of course, once you no longer reside within city limits, you are no longer able to vote in citywide elections--at this point you'll cease, in effect, to be a member in good standing in that political community. If nothing is done to stop this process, you'll be expelled (by market forces in conjunction with the profit-seeking decisions of landlords) from the political community against your will.

Now, there are at least two important senses in which this predicament undermines your status as a political equal in the city. The first is obvious: you cannot be said to be an equal if you are liable to be expelled against your will from the community and thereby denied membership and voting rights. The second is less obvious, and pertains to the effects of rising rents on one's status prior to outright expulsion. The basic idea is this: the prospect of future displacement undermines one's ability to influence current political decision making in the city. Other things equal, when a group enjoys a stable, secure standing as a member of a political community, elected officials will feel at least some pressure to justify their actions in terms that this group could be reasonably expected to accept. But when one's very membership is precarious, the ability to exert this pressure on elected representatives is undermined. Like new investors in a rapidly gentrifying area of a city, politicians will be under pressure to bet on demographic changes and appeal less and less to residents being priced out. The overall result is a diminished capability of vulnerable tenants to exert influence on public political decisions.

I must also point out here that property owners will tend in general to be more politically powerful than non-owners--even before displacement is an imminent possibility for poor tenants. There are at least two reasons for this. The first is that we can expect, other things equal, that ideal-typical landlords will have more money to spend influencing political decisions. It's also

likely, other things equal, that they'll have better access to the networks whereby political influence can be exercised.⁵¹ There is more that could be said about this dynamic if political sociology were our main focus, but hopefully I've said enough to establish the rough conclusion that there are several forms of political inequality that tend to arise between landlords and tenants in uncontrolled markets.

<T1HD>Egalitarian Counterweights: Rent Control and Other Policies

<TXT>If the arguments above are sound, then we have a number of reasons to think that landlord/tenant relationships are economically and politically inegalitarian. But this leaves unanswered an obvious, pressing question: What should be done about it? A full answer to this would no doubt involve a variety of empirical complications that cannot be fully explored here in large part because there is no clean, easy way to disentangle landlord/tenant relationships from other power relationships in cities. Indeed, for this reason, there is no way to adequately address the inequalities I highlight without taking into consideration a number of broader considerations: the structures governing political participation and decision making in urban areas, the interplay between different units of government (ward vs. city, city vs. county, county vs. state, and so

⁵¹ Other things are not equal, however, when the poor and working-class residents of cities are able to organize themselves into coalitions to exert pressure on government via trade unions, community organizations, social movements, and political parties that cater to their specific needs. This does happen and can have significant effects on city politics. But our point isn't that this is impossible, but rather that the background resource inequalities between landlords and tenants tend to favor the former.

on), the nature of urban economies more broadly and the employment relationships that predominate within them, the roles that race and culture play in urban geography more generally, and so on. My goal, then, is relatively modest: I shall argue in what follows that rent control, while hardly a panacea, should be seen as a legitimate and effective tool--among others--for stemming the economic and political power of landlords over tenants.⁵²

By “rent control” I mean: public policies that regulate the prices of rental properties in urban residential and commercial housing markets. This might take the form of rent ceilings that establish an absolute limit that rents may not legally exceed, or it might refer to a system whereby annual rent increases may not exceed a certain amount without approval of a review panel. What makes all rent control policies distinctive is that they propose to empower a public, democratically accountable government body to regulate (increase, lower, freeze, stabilize, etc.) prices for rental housing in a specific jurisdiction.

⁵² One obvious sense in which rent control is not a panacea, according to the argument I advance here, is that it does not propose to eliminate relations of exploitation between landlords and tenants, but merely lessens the extent of exploitation. What (if anything) should be done to replace these exploitative relationships with more egalitarian ones? I don't have a systematic answer to this question. Perhaps some scheme of democratic public ownership--or something approximating what Rawls calls “property-owning democracy”--might better serve the normative principles defended by relational egalitarians. At any rate, empowering tenants by way of rent controls, though not a full solution, does not preclude adherence to (or movement toward) some of the more radical goals just mentioned.

Before I try to show how rent control might act as an egalitarian counterweight, I must say something brief about a common objection to regulating rents in urban housing markets. That objection asserts that rent control allegedly decreases the quality and quantity of housing because (1) the landlord's incentive to maintain and/or improve her property will be diminished in proportion to the decrease in rents she collects, and (2) lower rents may give existing landlords an incentive to disinvest in the rental market altogether whereas many would-be investors in the market will be loath to enter it in the first place unless they can expect higher returns.

The first thing to say here is that even if we grant the empirical dimensions of this argument--and, as we'll see in a moment, it's not clear that we should--these alone cannot decisively settle the normative issues at stake. For instance, as Margaret Jane Radin points out, it is entirely reasonable for a consequentialist to ask whether this (potential) loss of efficiency might be outweighed by other utility gains produced by rent control.⁵³ Perhaps the benefits of rent control for tenants outweigh these potential costs. Put another way: to the complaint that rent controls decrease the quantity and quality of rental housing, many working-class tenants can reasonably respond that it is hardly a blessing (from their perspective) if the quantity and quality of rental housing increases dramatically, but at prices that they simply cannot afford. To this, we might also add that even if empirically correct, the normative pull of the standard objection also depends on how severe the decrease in quality and quantity of housing is likely to be. If the decrease were extremely small, the argument would hardly be the knockdown refutation it

⁵³ An example, for instance, would be that rent control increases the disposable income of tenants, which can boost effective demand for goods and services and thereby stimulate the local economy.

purports to be. Surely this is not simply a matter of the viability of rent control as such, but of how the specifics of it are configured in practice.⁵⁴ And even if a sufficiently large shortage should arise, there are numerous well-known ways of addressing it while keeping rent controls intact, the most obvious being the construction of new, affordable housing stock to expand the supply of rental units. What's more, the entire objection I've been considering only holds if we assume that consequentialism is true--the non-consequentialist argument I advance, for example, implies that a relation can be unjust quite apart from the consequences it has on overall welfare.

⁵⁴ To illustrate: if we implemented a rent control regime in Chicago tomorrow that required that all rents in city limits be no more than \$10 a month, that would surely have catastrophic effects on the supply and quality of rental housing in the private housing market. New private investment would be nil, and existing landlords would scramble to exit the market--so, too, could we expect them to put an immediate halt to spending on maintenance and upkeep. Probably few if any landlords would be able to cover their own costs let alone turn a profit. In this sense, the "standard objection" is surely correct that fixing rental prices at some sufficiently low level would, indeed, have unacceptable consequences. This is no stain on the very idea of rent control, however--it merely shows that it matters exactly how prices are set, how they are regulated, and so on. In rapidly gentrifying neighborhoods in New York, Chicago, or the Bay, for instance, it is not clear that imposing a modest cap on annual rent increases would have similarly catastrophic results. Yet the way that some economists "gnash their teeth," as Radin memorably put it, whenever rent controls are proposed suggests that some believe that any rent control regime whatsoever would bring about catastrophe. This, however, doesn't seem plausible.

Having said all of this about the normative issues implicit in the objection, however, it's not clear that we should grant the empirical dimensions of the argument in the first place. This is not an issue I can expect to settle decisively here, but a few remarks can hopefully demonstrate why the empirical premises of the "standard objection" are far less obvious upon reflection than they may appear at first glance. To see why this is so, note that proponents of the standard objection usually take their critique of rent control to be nothing more than a specific instance of a general argument against any form of interference with market prices. The standard objection, then, applies as much to minimum wage laws as it does to rent controls. But, as numerous empirical studies have shown, many warnings about minimum wage laws--that they will decrease overall employment levels, hurt business investment, and so on--are not borne out by the facts.⁵⁵ Although the empirical premises of the standard objection surely capture some dimension of how individuals respond to price changes in the abstract, this is merely one small aspect of what is actually happening in complicated real-world housing markets where countervailing forces abound.⁵⁶

⁵⁵ See Schmitt ("Why Does the Minimum Wage Have No Discernible Effect?"); and Pollin and Wicks-Lim ("\$15 U.S. Minimum Wage").

⁵⁶ I'll name just two here: First, because rent control boosts the income of tenants, who can be expected to spend a higher proportion of their income on immediate consumption than landlords, we can expect an increase in effective demand for goods and services produced by the local economy. Second, overall economic health--reflected by variables such as employment levels, rates of investment, effective demand, and so on--also has important effects on the quantity and

So much for our brief detour about a common economic argument against rent control.

Let us return, then, to the economic aspects of the unequal relationship between tenant and landlord to see how rent control might function as an egalitarian counterweight. On the question of exploitation, rent control can play a positive role in at least two ways. The first, and most obvious, is that it limits the rate of exploitation--the rate of unreciprocated transfer of goods from tenant to landlord--to a fixed amount. Here, the role of rent control is similar to that of the minimum wage in labor markets. Minimum wage laws do not, of course, annul the exploitative relationship between wage worker and employer, but they do play a role in stemming the rate of exploitation. They limit the power of the dominant group to instrumentalize the subordinate, exploited group and therefore help to bring the relationship closer to that of equality.

Another egalitarian impact of rent control--and here, too, there are analogies with minimum wage ordinances--is that it increases the economic bargaining power of the tenant by subjecting the market transaction between tenant and landlord to parameters that protect the interests of the former. If we loosely define economic power as the ability to have one's wishes in an economic transaction satisfied despite the resistance of others, it is clear that rent controls economically empower tenants relative to landlords. So, too, of course, can other policies economically empower tenants in the market, for example, by increasing the supply of affordable housing stock by constructing new units, eliminating restrictive zoning laws that prohibit density or multi-family housing, and so on.

quality of housing. It's hardly the case that landlord rental income is the single, uniquely significant factor in determining housing supply and quality.

Whereas a host of policies can help increase the bargaining power of tenants in the market, the following benefit seems to be unique to rent controls: rent control can play a role in eliminating the vulnerability of tenants to being subject to economic marginalization. Since rent controls stop rents from soaring abruptly and pricing out entire layers of existing residents, tenants need not worry about impending displacement and landlords lack an incentive to treat them as mere obstacles to procuring higher rents. Neither do tenants have to worry that improvements (new infrastructure, new business investment, etc.) to their community will result in their eventual displacement. They are also not obliged to worry that businesses will bet on gentrification occurring and progressively cater less and less to their preferences, whether those preferences are economic (for goods and services at an affordable price point) or culturally specific. Note that this benefit is not simply about affordability per se, but about geography and what sorts of norms should determine who can live where in large, complex urban environments.

Politically, the egalitarian benefits of rent control are considerable as well, although they are seldom taken into account. Perhaps most importantly, rent control can act as a bulwark against the market forces that would otherwise expel layers of residents from the political community itself. Stabilizing or freezing rents can protect the public status of poor and working-class residents as politically equal members in good standing of a particular district or city. This, in addition to preventing the disenfranchisement that accompanies geographical expulsion, also helps act as a safeguard against the erosion of political influence that is likely to afflict a group on the edge of being priced out of given city or district. So, too, does rent stabilization act to prevent powerful groups from attempting to solve political disagreement with

less powerful groups by non-deliberative, undemocratic means--for example, by seeking to displace the groups with whom one disagrees.

Politically speaking, rent controls also push against a troubling dichotomy elected officials face in uncontrolled rental housing markets. Cities need private investment in order to sustain healthy employment levels, maintain their tax base, and so on. And private investment is only forthcoming in a situation--a "good business climate"--where investors can expect to earn sufficient rates of profit on their investments. Officials must then be careful not to spook investors and invite capital flight by implementing policies that excessively harm the profitability of the private sector. But this places the reform-minded, progressive government official in a tough spot. If she promotes "a good business climate," this risks a situation in which private investment soars across the board (in the housing sector as well as other areas of the local economy) thereby contributing to quickly increasing residential rents--and eventually the displacement of those unable to pay the rents. But, of course, the alternative--deliberately ignoring the fact that cities depend upon tax revenue that is premised on private sector economic growth--hardly seems like a more promising course of action. The fundamental paradox is that in uncontrolled rental markets, there are few options to avoid trade-offs between economic growth and housing affordability.

Rent controls create space to avoid this cul-de-sac by allowing there to be both increasing economic investment generally and rental affordability. That is so because rent controls break the link between generally increasing economic development (new businesses opening, expansion of existing firms, etc.) and increasing rental prices. This allows officials to court commercial investment in cities without also, at the same time, making rental housing unaffordable for poor

and working-class tenants. What's more, rent controls work against the paradox whereby poor tenants are prevented from enjoying civic improvements without worrying that they are paving the way for their own displacement. By preventing displacement, rent control can bolster the public standing of tenants and help to ensure that they are not pushed to the margins and ignored when decisions about civic improvements are on the table.

Rent control can also promote equality by politicizing the question of housing affordability and access. Uncontrolled rental markets marginalize and thereby disenfranchise tenants from a variety of important decisions about housing and instead actively delegate these decisions to the vagaries of the market and the profit-seeking motives of landlords. This point is best put in terms of decision-making authority about housing and residency. In an uncontrolled rental market, the landlord alone is empowered with the authority to determine how much rent to charge and, accordingly, which classes of people can live in a particular city or district. In a rent-controlled market, on the other hand, this authority is instead vested in a public entity that is democratically accountable to the will of the majority. This has profound consequences for the way that decisions about housing will be made. In an uncontrolled market, for example, the impersonal laws of the marketplace will insulate the landlord from any obligation to justify her decisions about rent to tenants on mutually agreeable terms.

But this will not be so in a properly controlled market that politicizes such questions by making them matters of public democratic debate. "I'm for sharp rent increases because it maximizes my income as a landlord" is not likely to be a winning argument in the public political context but would easily satisfy the very different requirements of the marketplace. Politicizing the question of rental prices also helps unite tenants as a group with similar interests,

whereas the marketplace tends to leave individual buyers atomized in a condition of competition vis-à-vis one another. The result, then, is akin to some of the features of collective bargaining in labor markets, and the benefits for tenants are analogous--no longer must the individual tenant bargain as an isolated buyer competing with others. Now she can, in effect, bargain with her fellow tenants for a better deal across the board. To be sure, this does not necessarily guarantee that tenants as a group will be able to politically determine rental prices as equals in relation to landlords--there is a lot more to say here than I have the space to discuss about problems of political inequality in large cities. But it is surely a great step toward equality to move the conflict between landlords and tenants from the fragmented, money-driven environment of the marketplace to the relatively democratic, deliberative space of the public forum, where the rule is one person, one vote.

Conclusion

If the arguments advanced in the previous section have been convincing, we have reason to think that rent controls should be seen as legitimate egalitarian counterweights to the inequalities built into private rental housing markets. But even if objections can be mustered that give us reason to doubt either the legitimacy or effectiveness of rent controls, the normative arguments of the preceding sections still stand on their own. In practical terms, that means that there appear to be fundamental ways in which landlord/tenant relationships are inegalitarian and therefore at odds with our considered judgments about justice. Regardless of which remedies are ultimately put forward to address the problem, hopefully the arguments advanced above have clarified what is

at stake and what form a morally acceptable solution to the rental housing crisis in large US cities might take.

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Notes

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