

Book Review

Fear City: New York's Fiscal Crisis and the

Rise of Austerity Politics. By Kim Phillips-Fein. New York: Metropolitan Books, 2017.

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New York City in the 1960s and early 1970s provided its citizens with generous social services and protections for the working poor that embodied the ideals of New Deal and Great Society liberalism. These policies provided all New Yorkers with robust services and protections including a public hospital system, free university tuition at City University of New York schools, a complex network of public housing, as well as libraries, reasonable public transportation, and labor protections and generous salaries for public service workers. However, these government services did not come cheap and required massive deficit borrowing and the issuance of billions of dollars of municipal debt. A string of New York City mayors including Robert F. Wagner, Jr., John Lindsay, and Abraham Beam in the 1960s and 1970s tried to manage the city's finances for nearly a generation using a collection of creative accounting methods and borrowing with mixed success, and in 1975 the city faced bankruptcy.

Writing for a general audience, Kim Phillips-Fein, New York University professor and the author of *Invisible Hands: The Businessmen's Crusade Against the New Deal*, explores the causes, effects, and the legacy of New York City's fiscal crisis of 1975 in her book, *Fear City: New York's Fiscal Crisis and the Rise of Austerity Politics*. In work that merges political, urban and social history, *Fear City* seeks to challenge the popular narratives contending that New York City's excessive government spending, the generous social programs it enacted during the Great Society, or its incompetent politicians were the main causes of the fiscal crisis. Instead, the thesis of *Fear City* is that New York City was, in large part, the victim of factors outside of its control, and its politicians in addition to these factors caused the fiscal crisis. These factors, according to Phillips-Fein, include the rapid deindustrialization and the suburbanization of the United States in the 1960s and 1970s, the rise of conservatism that changed the political landscape of the 1970s, as well as hostile policies from both the state and federal governments that sought to starve the city of much-needed revenue and support. Moreover, a large segment of the city's business community and elites, many of whom were suburbanites and devotees of the free market, also bear a significant share of the blame. While some of the city's elites took small and symbolic actions to prevent the bankruptcy, including efforts to agree to pay their real estate taxes in advance or organizing citizens groups to discuss the city's problems, other business leaders used the fiscal crisis as an opportunity to transform the city into a free-market paradise. Despite the fact that the city avoided bankruptcy, *Fear City* argues that the fiscal crisis transformed New York City as the bailouts from the state and federal authorities imposed a series of austerity measures that shifted the city's politics, character, and demographic composition.

The book's three unique parts draw on different sources, and each section adds to the scholarship of different fields of history. The first part is predominately a work of political history that describes the various efforts of Mayor Abraham Beam to avoid bankruptcy. In contrast, the second part of the book is, in large part, a work of social history that details the efforts of ordinary people to resist austerity politics. The third part analyzes the long-lasting impact of the crisis on New York City, as well as the effect of the fiscal crisis on national and global politics, and draws largely on the author's analysis of political and demographic changes ushered in by austerity policies. In constructing her portrait of Mayor Beam's efforts to avoid bankruptcy, Phillips-Fein

in the first part of the book draws on not only tabloid coverage of the events but also displays extensive archival research of the papers of the major city, federal, and state players of the era. The book's second part draws upon interviews of many of the activists and the local coverage of events that provide fresh insight into the resistance of ordinary citizens to austerity measures imposed on the city. In combination, the three parts, each with their unique methods and sources, work together to paint a nuanced portrait of the causes, effects, and legacy of the crisis.

Fear City is a groundbreaking work that adds to the fields of urban, political, and social history. In addition to adding valuable insight into New York City and national politics of the late 1970s, *Fear City* also contributes to the contemporary historiographical debates over the nature of conservatism in the post-1960s era and the nature and failures of the brand of liberalism embodied by the Great Society programs. Phillips-Fein seeks to present an alternative explanation for the causes of the fiscal crisis that challenges the popular narrative of the event. However, she does her best work in her description of the effects on in addition to ordinary people's response to the fiscal crisis, who most needed the public services eliminated by the austerity programs imposed on the city. The vivid, and largely forgotten tales of ordinary citizens who fought to protect their local firehouses, community colleges, hospitals, and other services with some degree of success and thereby avoided a complete dismantling of New York City's welfare state provide valuable contributions to the fields of social and urban history. Moreover, the book's exploration of social movements and the struggles of working-class people in the outer boroughs of New York City address peoples and movements often ignored by other works on the city which tend to focus on Manhattan. For example, Phillips-Fein describes the struggles of Hispanic students in the Bronx who opposed the closure of a community college that catered to Latinos, as well as the protests of ethnic whites in Greenpoint, Brooklyn who occupied their local fire station for months to prevent its closure. Despite the fact that these efforts achieved limited local success, *Fear City* describes how the various ethnic and racial groups in the city, for the most part, failed to unite in their opposition to the austerity measures. Thus, Phillips-Fein concludes that the identity politics of the era, in large part, divided New Yorkers into communities based on race, class, and ethnicity that prevented the development of unified opposition to austerity programs. This observation sheds valuable insight into a potential weakness of the liberalism of the Great Society. Finally, the book's description of the legacy of the crisis provides a plausible explanation for New York City's transformation from a gritty, but livable city in the 1970s, to a city that caters to the rich with large income inequality in the present day.

Despite its many strengths, the book is not without its flaws. The author does little to hide her glowing admiration for Great Society liberalism and the multitude of social services offered in New York City in the pre-fiscal crisis era. Indeed, the author does not extensively examine the flaws within the liberalism of Great Society that made the continuation of generous and extensive social welfare programs unsustainable and may have exasperated the economic and social trends that led to the fiscal crisis. Moreover, while Phillips-Fein laments the fact that the many opponents of austerity failed to unify, she glosses over how Great Society liberalism may have contributed to the dismantling of the New Deal coalition and the rise of identity politics that prevented working class people from presenting a unified opposition to austerity programs. Finally, *Fear City* like Phillips-Fein's prior work *Invisible Hands: The Businessmen's Crusade Against the New Deal* demonstrates a tendency to caricature the ideas and motivations of the advocates of the free-market within the business community and government. None of these weaknesses diminishes the book's valuable contributions to twentieth-century United States urban, political, and social history. Specifically, *Fear City* remains a must-read for anyone who wants to understand the legacy of the

fiscal crisis and its impact on contemporary New York City life and politics.

—James Barney, University of Memphis