

INTERVIEW

WILL MIAMI'S GROWTH BE CUT SHORT BY SEA-LEVEL RISE?

A conversation with sociologist Alejandro Portes about his new book: Is Miami a global city, or a superstar Latin-American city? And is it going to sink?



Richard Florida Alejandro Portes

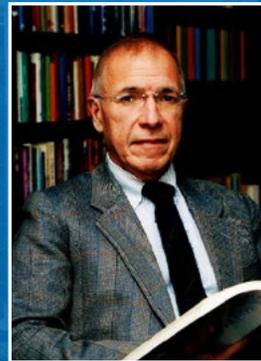
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CONTRIBUTORS

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Richard Florida is one of the world's leading urbanists.

He is founder of the Miami Future Initiative and a distinguished Fellow at Florida International University. He is a University Professor at University of Toronto's School of Cities and Rotman School of Management and a Distinguished Fellow at NYU.

He is author the award-winning book, *The Rise of the Creative Class* and most recently, *The New Urban Crisis*. He serves as senior editor for *The Atlantic*, where he founded *CityLab*, the leading news site on urban development

He is an entrepreneur, as founder of the Creative Class Group which works closely with leading companies and governments around the world.

ALEJANDRO PORTES

Alejandro Portes is Howard Harrison and Gabrielle Snyder Beck Professor of Sociology (emeritus) at Princeton University and Professor of Law and Distinguished Scholar of Arts and Sciences at the University of Miami. He is the founding director of the Center for Migration and Development at Princeton. He has formerly taught at Johns Hopkins University, where he held the John Dewey Chair in Arts and Sciences; Duke University, and the University of Texas-Austin. He was the president of the American Sociological Association in 1998-99.

Portes is the author of more than 250 articles and chapters on national development, international migration, Latin American and Caribbean urbanization, and economic sociology. He has published 40 books and special issues. His books include: *City on the Edge - the Transformation of Miami* (California 1993), co-authored with Alex Stepick, *Immigrant America: A Portrait*, *Spanish Legacies: The Coming of Age of the Second Generation*, and his most recent book *The Global Edge Miami in the Twenty-First Century*, published in 2018.

His current research is on the adaptation process of the immigrant second generation in comparative perspective, the role of institutions on national development, and the comparative study of immigrant transnational organizations.



Miami is a uniquely enigmatic city. Despite threats of climate change and sea-level rise, it continues to attract residents and real estate investment, with gleaming new towers dotting its skyline. Though home to dozens of billionaires, the city has drastic income inequality.

Few understand Miami better than sociologist Alejandro Portes. A leading scholar of urbanism, global cities, and the migrations and ethnic enclaves that shape them, Portes splits his time between Princeton University and the University of Miami. A Cuban-American whose family emigrated to Miami in 1960, Portes has written two important books on the region: *City on the Edge: The Transformation of Miami* with Alex Stepick in 1993, and *The Global Edge: Miami in the Twenty-First Century* with Ariel C. Armony, published earlier this year.

I talked with Portes about his new book and what he has learned about Miami. Our conversation has been edited for flow and clarity.





“The decentralization of power that we see today stems from the fact that Miami has been a victim of its own economic success.”



You’ve now written two books on Miami a quarter of a century apart. What are the big changes that you’ve seen in that time?

When I wrote *City on the Edge*, Miami was literally on edge. In 1981, TIME magazine even published a special issue with the cover titled “Paradise Lost?” But things have changed dramatically in the last quarter of a century. Miami has risen to global city status. Not a truly global city like New York, but a regional center, serving as the integral link for commerce and finance between Europe, Latin America, and the Caribbean.

Where does Miami fit as a global city? Is it a truly globally important center or is it the capital of Latin America?

Global cities like New York and London are coordinating centers for the corporate, financial, and commercial aspects of the entire global economy. Miami is a global city on a regional scale because of what goes on in Latin America. The Brickell financial center in Miami has the second largest concentration of international banks outside of New York. The pillars of this global city economy are merchandise trade and physical commerce; finance and banking; real estate construction and speculation; and art as a commercial form.

Real estate seems to play a big part in Miami’s economy. Today, it has become another class of financial asset; large global investors park money in condo towers and office buildings.

Yes, that’s the new style for the corporate and private investment. Corporations, banks, and wealthy people have recognized Miami’s growth as a global city. The gigantic new Brickell Centre (close to downtown Miami) is quite similar to the world-famous Dubai malls.

There is the additional fact that Miami is part of the U.S. and protected by the American legal system so their acquisitions, bank accounts, or investments are not going to be confiscated. That provides a kind of certainty and security. Many of these investors are fearful of what may happen in their own country, so they look for the security and protection of a stable legal and property regime. There are the Russians in Sunny Isles (north of Miami) who do not trust the Russian government at all, and they want to get their fortunes out as soon as possible. So, they invest in the three Trump Towers there.

That’s what explains the huge rising condominium towers, around downtown, in Brickell Centre, Coconut Grove, and Miami Beach. They serve a dual function: One is to give shelter to the high-income population, the other is as centers for financial speculation. Many of these properties are bought as an investment and left empty.

Miami is interesting in that it has a very large illegal or informal economy. How big a part of the Miami story is this?

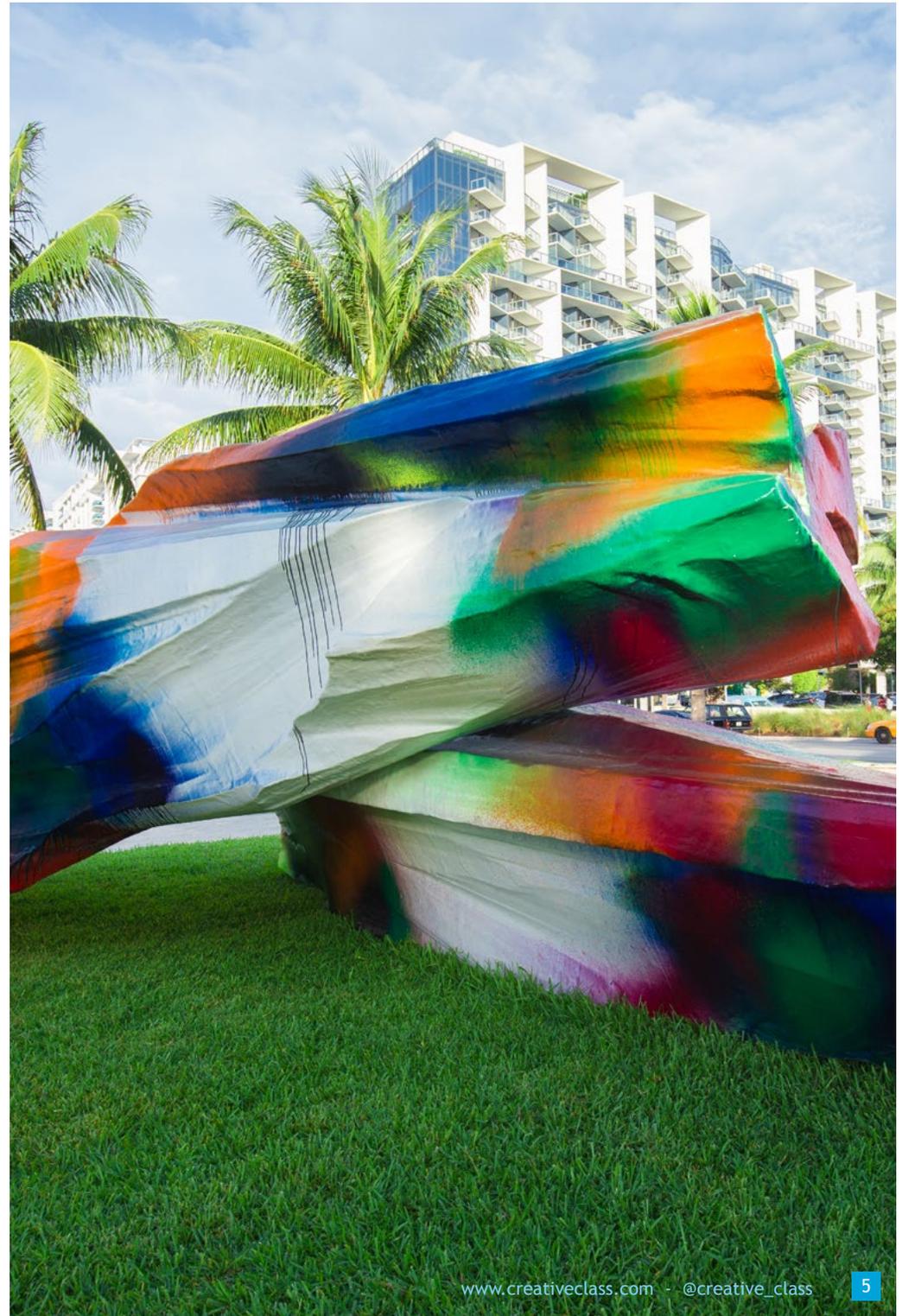
Absolutely, criminality—white-collar crime—is a feature of the Miami economy. The actual cocaine trade left Miami long ago. A big part of it today is money laundering and high-level transactions by rich people looking for ways to dispose of their money and bypass tax laws and regulation. I would no longer characterize Miami as the giant hemispheric money-laundromat that it was back in 80s. Today, the formal real economy is much larger, yet it still has a large informal economy.

It's a long story but it was Cuban exiles, bankers who had to leave Havana during the revolution, who were at the forefront of putting Miami on the map as financial center. They were the ones who were crucial in creating the financial and banking infrastructure of Miami. In order to survive in Cuba under the communist regime, people had to invent ingenious ways of doing things. So, the informal economy has become the real economy of Cuba. People managed to survive by defrauding the state. It's not surprising that many of the most ingenious schemes to defraud Medicare have been engineered by recent Cuban refugees that came in the 1990s and 2000s.

There seem to be three other emerging pillars of the new Miami economy. One is hedge funds, many moving from New York to Miami. The second is the arts and media, especially for bilingual Latin and domestic media. The third is an ongoing attempt to build up Miami as a high-tech and innovation and startup hub.

The art industry was prompted by the arrival of Art Basel, when the city witnesses a massive arrival of wealthy people looking to buy art. Every rising painter or performing artist in Latin America or the Caribbean dreams of coming to Miami. This is a sign of having arrived. The media is another key pillar since the 1980s, taking advantage of the bilingual character of the city.

The one element that is not a key pillar, despite much hoopla about it, is high-tech industry. Miami does not compete with Silicon Valley or Austin or even the Research Triangle in technological innovation. The universities here are not sufficiently strong yet to produce the supply of highly skilled engineers, programmers, computer scientists, that would be required for this sector to take off. There is no Stanford, no University of Texas, no University of North Carolina to anchor that kind of tech talent production. One consequence of the absence of top-tier academic institutions is that Miami still experiences a brain drain. Many bright young people who grow up here head off to college at an Ivy League or in California.





Another way Miami has changed is in terms of its demographics. It used to be a retirement mecca and of course a center for Latino immigrants. Now there is a substantial influx of young people, young families, and affluent New Yorkers seeking warmer weather and lower taxes, including some much talked about cases of wealthy hedge funders moving to the region.

Obviously, retirees keep coming to Florida because of the weather and because of the favorable tax treatment. But they don't come to Miami much anymore; they go to other parts of the state. Miami is attracting a different population that is increasingly cosmopolitan and relatively young. You see a lot of Europeans in South Beach, in the ritzy areas of Miami, and its downtown.

Miami is a very divided city. It has a very high level of inequality, home to billionaires and to the truly disadvantaged.

The city was actually less divided when it had not achieved global city status. But its rise as a global city has made housing more unaffordable. It has become increasingly difficult for people in the workforce who earn salaries in the tens of thousands of dollars to find suitable housing in the city. They are being expelled farther and farther away from where the jobs are, commuting longer and longer distances. This of course is not a unique to Miami; it is a fundamental characteristic of global cities.

There is a clear economic and spatial divide in the high-income areas along the coast and Biscayne Bay, from Coconut Grove to Coral Gables. Urban poverty has been pushed inland, to the north and west. But, because of its road system, poverty in Miami is not as visible or obvious as in other American cities. That said, there are parts of Miami that are deemed poor based on census data, such as Hialeah, but which actually have a functioning and vibrant informal economy.

**What about the elephant in the room: climate change and sea-level rise?
We hear about it all the time, yet developers keep building and people keep moving to Miami.**

Last year, I took a trip along I-95 and counted about 40 building cranes, all around Biscayne Bay right by the water. This is a consequence of the growth machine of real estate capital that refuses to believe that anything serious is going to happen. The general conviction among developers is that someone will come up with a solution because it would be impossible for a city of this size to disappear.

The fact of the matter is that the ocean is rising. That's undeniable, that's a done deal. And, the process is surprisingly fast paced: the anticipations of things that were supposed to happen in 2050 are now expected to become reality by 2025.

Two things that have happened recently: The city of Miami passed a \$400 million-dollar "Miami Forever" bond to find ways to defend the city against flooding and sea level rise. They've also brought in experts from the Netherlands, the best-known example of how to cope with sea level rise and how to live near water. And those experts pronounced Miami a very dangerous place because it is difficult to build seawalls when your subsoil is limestone. The expected timeline of serious things to happen in this area is 50 to 100 years.

You write Miami today is a case of hyper-fragmentation, too political jurisdictions, too many mayors, too many voices, and no one really in control. Is it a city without leadership?

The city used to have a unified leadership back in the days when it was ruled by a Southern-style Anglo elite. In those old days, Alvah Chapman, publisher of *The Miami Herald*, and a small group of business leaders called the shots in the city.

The decentralization of power that we see today stems from the fact that Miami has been a victim of its own economic success. There are many powerful economic and civic sectors, but none of them are hegemonic or dominant, such as the real estate developers, the port, the airport, the arts and culture sector, the various ethnic and racial organizations. The power structure of Miami resembles a circle with lots of actors around the circumference and a hole in the middle. It may take the threat of being submerged under the Atlantic to make all these competing interests to come together.

All in all, are you optimistic or pessimistic about Miami's future?

I am cautiously, very cautiously, optimistic.

CityLab editorial fellow Claire Tran contributed research and editorial assistance to this article.

